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LABOUR SUPPLY AND NATIONAL DEFENCE



MONTREAL, 1941

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INTERNATIONAL LABOUR OFFICE

STUDIES AND REPORTS

Series C (Employment and Unemployment) No. 23

**LABOUR SUPPLY
AND
NATIONAL DEFENCE**

MONTREAL

1941

FOREWORD

Ever since the outbreak of war in September 1939, the International Labour Office has been studying with special care the manifold problems involved in the development of a national war economy. The Governing Body of the Office, meeting in Geneva in February 1940, approved a programme of work for the Office which comprised the analysis of a series of social and labour problems in time of war, including those of employment organisation. The Office has already published several studies on wartime questions, two of the most recent of which are *Studies in War Economics* and *The Labour Situation in Great Britain*. The present report deals with the problems of labour supply raised by the rapid execution of vast programmes of national defence. The Office had the advantage of submitting a draft of the greatest part of this report to a tripartite Canadian-American meeting held in Montreal on 12 April 1941, under the auspices of the I.L.O. Although the conclusions of the report have been formulated in the light of the discussion at this meeting, the report is published under the responsibility of the International Labour Office.

The report was prepared by Pierre Waelbroeck, Chief of the Employment and Labour Conditions Section, with the assistance of Elizabeth Mayer. Clearly, an analysis of policies which are in continuous evolution cannot pretend to be complete, and the documentation on which the report is based may not in all cases be up-to-date, especially for the more distant countries. Moreover, since under present conditions actual field investigation was excluded, it was necessary to rely on published material alone and the report may in some instances reflect this limitation. The Office hopes, however, that the publication of this material will be of interest in indicating the inter-relationship of the many problems of labour supply and the varying experiences of countries which have had to face and solve them in the execution of their programmes of national defence.

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INTRODUCTION

Modern warfare requires the whole of the human and material resources of any country engaged in conflict or preparing to defend itself against the menace of war. The tempo at which the structure of national defence can be erected depends on the complete and rapid mobilisation of resources. This mobilisation does not merely entail a maximum increase in the quantity of resources brought into use; it also entails their utilisation in as economical a manner as possible. All wastage of resources is a loss, both for the present and for the future. Waste is particularly intolerable as regards man-power because its consequences are moral as well as material. The output of a worker depends to a large extent on psychological factors. If he feels that his labour power is being wasted, he will no longer contribute to the common effort with the same energy and will as before. This psychological aspect, in fact, distinguishes the mobilisation of human resources from that of material resources. It constitutes the special feature of labour supply policy and necessitates special precautions in framing and executing that policy.

Problems of labour supply arising from the rapid execution of a large-scale national defence programme are well known. They were clearly delineated by experience during the war of 1914-18 and that experience, in turn, was utilised and developed in the countries which in recent years have prepared for total war, either before or after the actual outbreak of hostilities. The problems may be divided into four groups. In the first place, it is essential to determine an optimum allocation of man-power between industry and the armed forces in order to prevent the expansion of the latter from depriving the economic system of indispensable labour, and, in particular from paralysing the production of armaments. Secondly, workers who are engaged in essential industries must be prevented from migrating to non-essential industries or from being attracted unsystematically from one undertaking to another owing to competition for their services among employers in essential industries. Thirdly, additional workers needed by

munitions industries must be prepared by training or retraining for employments in these industries. Lastly, with the expansion of the means of production for defence, all available labour reserves in every sector of the population of the country must be mobilised to make maximum production possible: unemployed workers, workers whose skills are not fully utilised in their present jobs, workers employed in non-essential industries which could or should be curtailed, persons not ordinarily in the employment market, and foreign workers.

It is relatively easy to draft the outlines of a rational labour supply policy. Difficulty begins, however, when the field of theoretical analysis is left for that of concrete facts. All the many problems of labour supply do not arise simultaneously as soon as a national defence programme is started. Their appearance and their relative urgency differ from country to country according to the degree of industrialisation, the structure of industry, and the condition and trend of employment. Within any one country the demands for labour vary in quantity and quality from one stage to another of the production programme. In other words, a labour supply policy cannot be made to comply with cut-and-dried rules. Only the objectives of the policy can be covered by a definition which will be generally accepted; the choice of measures to be taken, their significance, and the degree of compulsion to accompany them depend on the relative urgency of the different problems at any given moment.

A labour supply policy for defence industries must therefore be essentially flexible. It must be capable of constant evolution and adjustment to changes in requirements and resources. If such continuous adaptation is to be possible, however, two conditions must first be fulfilled: first, comprehensive information must be available on the extent and character of the needs to be met and on existing resources; and second, efficient administrative machinery is necessary, enabling the authorities to judge at any time, on the basis of the information at hand, what measures are needed, how far they should go, and how they should be applied and enforced. The reliability of the information on which labour supply policy is based and the competency of the administration responsible for directing and applying it determine not only its technical efficiency but also the confidence which it engenders in the persons concerned and the good will with which they accept it.

The following study is divided into two main parts. The first examines in four chapters, corresponding to the four groups of questions enumerated above, the problems of labour supply created by the expansion of defence industries in wartime or in a period of national emergency; the second part discusses the information and administrative organisation which are necessary if these problems are to be adequately solved. Each chapter begins by analysing briefly the general features of the particular problems involved. This analysis is followed by a series of monographic notes which describe, by way of illustration, the measures that various countries have adopted to meet the requirements of war or national emergency. The countries included for this purpose are Australia, Canada, France, Germany, Great Britain, Japan, New Zealand, the Union of South Africa, and the United States of America.

These countries began active preparations for war at different times. Germany entered on the path of intensive re-armament as soon as the National-Socialist Party came to power in 1933; and immediately after the preparatory part of the programme had been completed, it openly concentrated the whole of its economic organisation on the maximum expansion of military power and war production, putting into operation its first Four Year Plan in 1936. Japan developed its war economy step by step with the growth in effort found to be necessary in pursuance of the military operations opened against China in 1937. France and Great Britain gradually increased their production of armaments during the critical period which preceded the war, but it was only after the outbreak of hostilities that they began to organise all their resources with reference to national defence needs, and only after the military events of April and May 1940 that this organisation was pressed forward with supreme energy in Great Britain. The British Dominions did not convert their economy towards intensive production of armaments until war had begun; but the less immediate danger to which these countries were at first exposed and their smaller development of heavy industry involved more time to set the programmes in motion, so that it was the second half of 1940 that witnessed a large-scale extension of defence operations in order to meet the perilous situation which then confronted the whole British Commonwealth of Nations. Lastly, not until June 1940 did the United States, while remaining non-belligerent, launch an in-

tensive armament programme; and only in the following months did it gradually organise systematically and accelerate the utilisation of its resources, both in order to strengthen its own defence and to expand material aid to Great Britain.

One result of the differences in the stage which each of these countries has reached in expanding national defence production and the size of the armed forces needed in consequence of the political or military situation is that the problems of labour supply vary greatly in form and in acuteness in each country. It follows that labour supply policy, too, is far from being equally comprehensive everywhere. This in itself makes it preferable not to try to make a comparative analysis of policies which are constantly evolving and in different stages of development, but rather to present the facts in the shape of monographic notes, showing how and to what extent labour supply policy has evolved in each country.

This is not the only reason, however. If the survey of national experiences were split up or if a uniform framework were adopted for purposes of comparison, a false impression might be given of the measures described by ignoring the general conceptions from which the organisation of labour supply has sprung in each country. The psychological aspect of the problem was emphasised at the beginning of this introduction. In totalitarian countries, labour supply policy forms an integral part of an authoritarian system which relies on coercion and on the strict application of the totalitarian "leadership" principle to secure the maximum output from each individual. This method is obviously incompatible with the system and traditions of countries where relations between the individual and the State are organised on the basis of the democratic principle and which are now devoting their resources to defend that principle. If these countries are to obtain the wholehearted support of each individual for the common effort, a system of collaboration is necessary that will enable each person concerned, through the medium of the organisations which he has helped to create and in which he has put his trust, to ascertain that the proposed measures are both necessary and effective, to protect legitimate interests, and to take a positive share in the preparation and application of labour supply policy, contributing the whole of his knowledge and direct experience of the problem. Hence the following description of the experience of the different countries tries to show how this prin-

ciple of collaboration is being applied in those countries where it permeates the whole organisation of national defence and forms an integral part of labour supply policy. Finally, the report draws attention, in the conclusions, to the relation between the labour supply policy of to-day and that of the after-war period, when there must be far-reaching re-adjustment of the structure of supply to a new structure of demand.

These problems are by no means the only questions relevant to the organisation of labour resources in time of war or national emergency. There are others which bear equally upon labour supply policy but which could not be covered in the present report without bringing into its scope all the labour and industrial problems involved in national organisation for defence. The relation of the farming-out of defence contracts to labour supply, the manifold social and economic problems consequent upon the sudden rise of defence industrial communities, the effect of priorities on the labour market, wage policy, and hours of work, analyses of health, safety, and welfare measures—all these and many other questions are relevant to employment organisation and should be considered in relation to labour supply policy as a whole. A brief reference to these problems will be found in the conclusions of the report, and the brevity of their treatment is not intended to be taken as any indication of their importance to national defence organisation. Some of them may be analysed in detail by subsequent studies of the International Labour Office. For reasons of convenience, however, the present report has been confined to an analysis of problems and a description of policies referring directly to the regulation, distribution, and mobilisaton of labour supply.

I

PROBLEMS OF LABOUR SUPPLY

CHAPTER I

ALLOCATION OF MAN-POWER BETWEEN THE ARMED FORCES AND INDUSTRY

The determination of an equitable division of man-power between economic and military requirements is the first problem which arises when a country decides to expand simultaneously, on a large scale and with as little delay as possible, its armed forces and production for national defence.

Modern warfare demands large armies; but it demands, at the same time, in order to equip and to supply these armies, a large labour force. The expansion of the armed forces is of military value, therefore, only to the extent to which industry retains a labour supply adequate not only for the production of the war materials, equipment, and supplies needed by the troops but adequate, in addition, for the maintenance both of essential commodities and services destined for the civilian population and of the export trade to the degree imposed by the necessity for foreign exchange.

The problem would be relatively simple, however, if it could be reduced to numerical terms. Its difficulty lies in the fact that the needs of the armed forces and those of industry frequently conflict. Military recruitment affects the male population almost exclusively. It tends, therefore, to diminish the labour supply more considerably for industries which largely employ male workers than for industries which employ a considerable number of women. Yet most of the industries which are essential for defence production, engineering and the metal working trades, mining, and construction, are those which employ, as a rule, the largest proportion of male workers. Moreover, military recruitment takes place within the age groups which are the most productive and in which the percentage of workers in employment is the highest. One result of this fact is that compulsory service draws more heavily from the ranks of employed than of unemployed workers. Finally, the specific needs of the army in a wide range of occupations compete directly with those of industry;

workers with the same skill are necessary, for example, in the factory for the production of mechanised arms and in the army for the re-conditioning and repair of these arms.

These conflicting needs can be resolved in the long run only by a redistribution and systematic utilisation of all the human resources of the country. During the interval before measures to achieve this end (such as those analysed in the third and fourth chapters of this Report) have been put into effect, however, action must be taken to prevent the expansion of the armed forces from interfering with the maintenance and development of essential industries and services.

Despite the fact that the general problem is similar in most countries, it is posed in terms which vary in accordance with the extent to which each country is able to co-ordinate, one with the other, the recruitment of its armed forces and the development of its war economy.

In a country which has had general and compulsory military service over a long period, the armed forces are expanded almost automatically in time of emergency. Under these conditions, recruitment and military training of individual men have been carried out over many years without regard to the particular post which each man would fill on the day of actual mobilisation. This system scarcely attempts to co-ordinate military expansion with the development of a war economy. Only after the first rush to the colours on mobilisation day can the gaps created by mobilisation in the labour supply of essential industries be filled. When the imminence of the danger to the country necessitates complete and immediate mobilisation, tremendous difficulties are provoked in its economic structure. In France, for example, the Minister of National Defence stated in March 1940 that the labour force of factories engaged in private work before the war and on Government munitions work afterwards fell from 1,230,000 to 620,000 as a result of national mobilisation.

The position is very different, however, in a country which has only a relatively small number of individuals liable to mobilisation at the time when its armed forces must be increased to the utmost. Such a country must proceed, at one and the same time, to mobilise fully both its military and industrial strength. If the country is in no immediate danger, the rhythm of expansion of the armed forces can be determined in such a manner as to make possible a parallel expansion in

the labour supply necessary for essential industries both to replace men enrolled in the forces and to meet the greater production needs of wartime. Germany is, undoubtedly, a country where such a synchronisation has been achieved under the most favourable conditions. For six entire years, from 1933 to 1939, the Reich increased and trained simultaneously the personnel required for its military services and for its essential industries, co-ordinated so as to ensure the greatest possible margin of replacement at the time of general mobilisation.

But even in a country where the tempo of expansion of the armed forces is sufficiently moderate so that the maintenance or gradual expansion of essential industries is not seriously hampered, the replacement of particular individuals by others is sometimes impossible at the time designated for their incorporation into military service. As a result, action must be taken to prevent or to defer the calling-up of those workers until they can be replaced. Such a method, as adopted in the United States, implies an examination of individual cases, undertaken in relation to the possibilities of the replacement of each worker and the importance of his particular work. The examination is designed solely to protect existing establishments against difficulties resultant from the withdrawal of particular workers who have been called up or who are anxious to volunteer; it does not take into account the future labour requirements of essential industries. Under this system, workers who are unemployed or who are not actually engaged in essential activity are not kept out of the army even though they belong to an occupational category in which increased demand is anticipated as a result of large-scale expansion of defence industries.

This method is clearly adequate only if, as was assumed above, the increase in the armed forces can be carried out at a tempo which does not threaten to deplete the reserves of labour necessary to meet the needs of essential industries. At the moment when this assumption no longer holds true for one or several occupations, more far-reaching measures are necessary to reserve for industry a sufficient labour supply. This, in essence, is the object of the system which is based upon a Schedule of Reserved Occupations. In accordance with this scheme, the enlistment of workers in certain occupations included in the list is restricted or prevented. In Great Britain,

the first Schedule of Reserved Occupations was issued in January 1939 simultaneously with the start of a widespread National Service campaign, and a revised Schedule was published at the beginning of the war to meet the new needs created by the introduction of compulsory military service. Australia, Canada, New Zealand, and the Union of South Africa also make use of the principle of reservation by occupational groupings, but there are important variations from one country to another in the application of this principle. Moreover, even in Great Britain, the application of the Schedule of Reserved Occupations has varied with changing conditions. Not only have frequent revisions been made in the occupations included in the list and in the ages from which reservation is accorded, but the restrictions imposed upon the enlistment or calling-up of workers affected have also been modified. In fact, the system is characterised very largely by its flexibility. It does not draw a rigid frontier between civilian work and military service; its object is rather to secure an ordered withdrawal of workers from industry for military service, taking into account, on the one hand, changing economic and military requirements and, on the other, the results of measures of vocational training and labour mobilisation designed to furnish industry with workers to replace men drawn away for military service. The constant revision of a Schedule of Reserved Occupations is thus an integral part of this system. When the supply of labour for essential industries is assured, any surplus of such labour can be placed at the disposal of the armed forces either by withdrawing reservation from occupations or raising the age of reservation, or by verifying whether workers in reserved occupations are, in fact, engaged upon work which justifies the retention of their exemption from military service. In the latter case, the system of reserved occupations tends to approximate that of the examination of individual cases. Because the reservations afforded under the system of reserved occupations undergo continuous adaptation, the procedures for amendment of the schedule are of great importance. In Great Britain, organisations of employers and workers have a large share in the revision of the Schedule.

It was shown above that a country faced by imminent national danger cannot attain the same close co-ordination between the strengthening of its armed forces and the satisfaction of the growing demand of its essential industries for work-

ers. In such a country, general military mobilisation involves considerable shrinkage in the labour supply available for every sector of the national economy and particularly, as already stated, for defence industries. The resultant drop in necessary production creates a critical situation which may be somewhat relieved by the return to industry, to the extent permitted by the exigencies of the military position, of workers who cannot be replaced by others. During the months which followed general mobilisation in France, there was a widespread temporary release of soldiers for return to industry and to agriculture.

But even in a country where it is possible to co-ordinate the growth of the armed forces with the needs of essential industries, it is often necessary to release for industry key workers who were taken in one way or another by military authorities. Such workers may have been taken by the forces as a result of lack of foresight at the time of recruitment or owing to the impossibility of anticipating various needs brought by new conditions; or they may have been taken because it was not possible to deprive the army of workers who are indispensable in the national economy only for relatively short periods during any year. Finally, it has frequently been found advantageous, especially in cases of prolonged military inactivity, to release workers by a system of rotational leave so that they may take up their civilian occupations once more. Countries which are not actively engaged in war but which have been forced to mobilise on a large scale (Switzerland, for example) have used this last method widely; and Germany appears to have practised it systematically.

There are, therefore, several methods of reconciling the needs of the armed forces with those of essential industries. The first is an examination of individual cases designed to retain in industrial employment key workers in defence and other industries of national importance. The second is the constitution of labour reserves on the basis of lists of "reserved" occupations. The third consists of releasing for industry, either permanently or temporarily, workers who have been incorporated in the armed forces. Examples of these various methods are included below. Provisions of the Selective Service Act of the United States illustrate the first method. The third, on the other hand, is the one which France was forced to use almost exclusively. The second and third methods (the one

and/or the other) have been practised in the countries of the British Commonwealth of Nations, some of which have also made use of the first method to supplement the second.

Great Britain's experience of the allocation of man-power between war industries and the fighting forces is described in some detail here for two reasons. In the first place, Great Britain has been faced with the most urgent problems of finding a satisfactory balance between the needs of industry and the needs of the armed forces for workers and, as a result, has taken the most comprehensive measures to secure a workable division of man-power. In the second place, the methods adopted by Great Britain have been and are now being utilised by other countries, primarily by the British Dominions, in working out solutions for their national problems of man-power. Clearly, each country must find its own balance between workers drafted into direct military service and those reserved for industry and agriculture; yet the experience of Great Britain with problems contingent upon the distribution of workers can doubtless be of use to countries which have as yet gone less far towards finding the principles and procedures necessary for solving these questions.¹

Great Britain

In Great Britain, the allocation of man-power between the armed forces and essential industries has been determined largely by deferring the calling-up and by limiting the enlistment of men who were required for purposes of war production. At the same time, key workers who had already been called up or who had enlisted have been released from the fighting forces when the relative value of their services appeared to be greater in industry.

RESERVATION OF WORKERS FOR PRODUCTION: THE SCHEDULE OF RESERVED OCCUPATIONS

Experience during the Last War.

Great Britain entered the present war from the basis of experience accumulated during the last war with the allocation of man-power between industry and the armed forces. This experience is, therefore, worth recording very briefly.²

¹ Reliable information regarding methods adopted in Germany is not available.

² Taken largely from Humbert WOLFE: *Labour Supply and Regulation* (Oxford, 1923), various chapters.

The history of the limitation of recruitment during the war of 1914-1918 falls into several periods which, despite the fact that they overlapped one another, provide a picture of the steps which led to the development of the final solutions. The first period of indiscriminate recruitment for the fighting forces caused "irreparable gaps" in the ranks of the country's skilled workers essential to the maintenance and expansion of necessary war production.¹ In desperation, the Admiralty and War Office initiated a system of badging, unco-ordinated at first and carried out on rather different principles; this system was brought under a single and unified authority as a result of the creation of a Ministry of Munitions. Gradually, after the first enthusiastic rush to join the fighting forces had come to an end, further action was needed to provide larger numbers of recruits for the forces. Late in 1915, therefore, the Ministry of Munitions began a debadging scheme, designed to release men who previously had been reserved for industry; but an Appeals Tribunal was set up to protect men from recruitment who, although debadged, were still temporarily indispensable to industry. The Military Service Acts of 1916 made badges statutory exemptions (rather than administrative) and the tribunals became statutory authorities for exemption.

After unsatisfactory experience with a Trade Card System in late 1916 and early 1917, a Schedule of Protected Occupations took the place of badges in the spring of 1917. Briefly, the Schedule provided a protected occupation certificate to men engaged in Admiralty, War Office, or munitions work or in railway workshops, if the men were over a specified age and in a medical category below A; protection certificates of a less clearly defined character were issued to men in listed occupations outside these classes. This Schedule marked important changes in principle: (1) the principle of an age limit was introduced, thus making it possible to distinguish between one occupation and another by imposing a higher age limit for a less important than for a more important occupation; (2) administrative certificates took the place of statutory certificates, rendering the system more flexible; (3) medical examination was associated with occupational exemption.

This Schedule evolved into a Reserved Occupations List in September 1918, introducing a system of bulk withdrawal of exemptions by Order for men under certain ages. To meet the growing need for recruits for the armed forces, trades were called upon to release one quota after another of men "by tak-

¹ A Board of Trade report of 1915 showed that the coal industry had lost 21.8 per cent. of the total occupied male population employed in that industry; engineering, 19.5 per cent.; iron and steel, 18.8 per cent.; ship-building, 16.5 per cent.; electrical engineering, 23.7 per cent.; and chemicals and explosives, 23.8 per cent. Other essential industries showed equally high losses. (U.K. BOARD OF TRADE: *Report on the State of Employment in the United Kingdom*, July 1915.)

ing slices off the reservations, carefully adjusted for each occupation according to the situation of the trade at the time and the relative ease likely to be found in providing substitutes". The application of the principle of bulk withdrawal of reservation avoided the long delays and wastage which had resulted from the Appeals Tribunal procedure.

Although the Schedule of Reserved Occupations introduced in January 1939 was motivated primarily by a desire to protect the trained labour forces of essential industries rather than to facilitate bulk withdrawals of reservation, yet the present Schedule derives from that of the last war in its basic principles and it has also lent itself to bulk withdrawals as necessary to meet expanding military training facilities and defence needs.

Experience during the Present War.

The narrow aversion of war in September 1938 had focused attention on many of the problems of organisation for war which would have to be solved in case of actual hostilities. In addition to lessons drawn from the war of 1914-1918, two factors influenced action taken at that time to organise the country's man-power for defence purposes: (a) the existing employment and unemployment situation; and (b) the facilities available for training and accommodating men for the fighting forces. Even before Munich, shortages of particular categories of skilled labour were imminent, despite the existence of a large reservoir of unemployed labour. As a result the danger of further depleting the limited supply of skilled and experienced labour by an indiscriminate system of voluntary recruitment was clear. Since the problem was apparent, necessary action could be taken to avoid interference with these categories of workers before war actually broke out. Secondly, the relative scarcity of facilities available in Great Britain for training and accommodating troops limited the possibilities of recruitment for the armed forces and made possible a system of recruitment which would be selective both from the point of view of the fighting forces and from the point of view of industry essential to war.

These three factors, closely related one to another, led to the introduction of a Schedule of Reserved Occupations soon after Munich—the first Schedule being published on 25 January 1939, which was also the date marking the opening of the voluntary National Service campaign. This Schedule imposed restrictions applying only to persons joining the armed forces for service outside their regular trade or professional capacity and for service which would involve full-time duty in case of war; it did not prevent persons from joining any branch of the forces in their trade or professional capacity.

In September 1939, a new edition of the Schedule, the War-time Schedule, was issued, which extended the reservations previously in force to a wider range of occupations and, in many cases, from a lower age limit.¹ This Schedule has been amended frequently in accordance with experience acquired and the rapidly changing military and industrial requirements for national defence. A revised edition was issued in June 1940, containing amendments through May 1940; a supplement was issued with amendments through August 1940; various amendments have been made since that date; and all of these have been incorporated in a revised Schedule published in April 1941.

Form of the Schedule.

The Schedule of Reserved Occupations is drawn up on an occupational basis.² All persons who actively follow, as their primary occupation, an occupation listed in the Schedule (whether as working principals, managers, foremen, wage-earners, or as independent workers) are granted a specified measure of reservation from military service. At first, this reservation was accorded without regard to the industry in which, or the particular company by which, they were employed; now, it is granted with regard to the character of the work which they are actually performing.³ To some extent, there are conflicting demands on skilled workers. The civil occupations from which trained men must be drawn to meet the needs of the armed forces are frequently those of the greatest importance to essential war industries—engineering, for example, motor mechanics, occupations in the metal-working trades, and many others. For these occupations, the Schedule attempts to ensure that while none of these skilled men can be taken into the armed forces for general service, sufficient numbers can volunteer or be drafted in their trade capacity or appropriate service trades.

During the first year and a half of war, the Schedule consisted of a list of occupations alongside each of which was printed an age in one or both of two columns, as indicated by the following examples:

¹ This was intended to meet the situation created by the application of compulsory military service.

² *The Drive for Victory (Schedule of Reserved Occupations)*, issued in 1940 by the Ministry of Labour and National Service, gives a clear and concise statement of the form and operation of the Schedule. A large part of the material in the following paragraphs is drawn from this pamphlet, and from a memorandum of the Ministry issued in April 1941, with the publication of the revised Schedule.

³ The evolution of this principle is indicated below, under "Relaxation of the Schedule", pp. 30-33.

Occupational group	Item	Age of reservation	
		General service	Service in trade capacity
Telecommunication services	Telegraphist (non tele-printer operator) (Post Office)	18	35
Electricity supply	Meter tester	18	25
Farm worker (excluding poultry and fruit farming)	Sugar beet field man	18	—
Stevedore, rigger, docker etc.	Docker	30V	30V
Wireless engineer, mechanic	Fault finder, tester	18	30VT

In occupations where an age was in the first column but not in the second, persons belonging to these occupations and who, at the date of registration of their age class under the Armed Forces Act, were at or above the age of reservation might not be called up for service in any capacity in the armed forces or enlist as a volunteer in the forces or in full-time civil defence or national service. Where an age was shown both in the first column and in the second (the age in the latter column was usually higher, but never lower than the age in the former), the foregoing applied, except that, if the ages were different, men between the two ages might be called up or volunteer but only for service in their appropriate service trades. Men below the age of reservation could be called up or might volunteer either for service as tradesmen or for general service if they were not required as tradesmen. Where a "V" was added to the age of entry, men in those occupations might, irrespective of age, be accepted for voluntary service in any defence force or service. If a "VT" was marked, men in those occupations might, irrespective of age, be accepted for service in their trades in civil defence or in their appropriate service trade in the forces.¹

In 1941, the form of the Schedule was modified. Thus, for many occupations, the Schedule now includes two ages of reservation, the lower being for a man on "protected" work and the higher for a man in the same occupation on "unprotected" work. These changes are described in more detail below. In other respects, however, the form of the Schedule remains virtually unaltered.

¹ The Schedule includes other special abbreviations and many annotations.

As a general rule, the ages of reservation from military service become higher as the occupations to which they relate become less important, in order that young men can join up and older men remain in industry. Workers in a few highly important employments, such as certain occupations in agriculture and mining, are not required as tradesmen in the armed forces; the Schedule therefore prevents any men in those specific occupations from being taken by the military authorities.

The Schedule does not prevent or restrict entry to regular military services which offer a full time career in peace-time and so involve a change in the man's occupation. Neither does the Schedule prevent any reserved man from changing his ordinary civilian occupation. It merely prevents a man in a reserved occupation from joining the armed forces "for the duration" or from enrolling for full-time National Service work.¹ Moreover, reservation is not exemption from military service under the Armed Forces Act. The Schedule is an administrative document, and the Minister of Labour and National Service is empowered to require any person liable to military service to enlist in the armed forces; decision in individual cases is made by the officers of the Minister on the basis of the Schedule of Reserved Occupations.

Procedure under the Schedule.

Registration. Each man in each age class called for service must register through the local employment exchanges (or a local office of the Ministry of Labour). He is asked to furnish detailed and precise information regarding his occupation and vocational qualifications. In order to check these particulars and to avoid any future difficulties, the officers of the Ministry write to each man's employer, requesting a confirmatory statement of the registrant's occupation. This information is essential for purposes of applying the Schedule of Reserved Occupations and also for identification of those workers who are not reserved by the Schedule but who can join the forces only in their trade capacity.²

While the local employment exchange officers have had considerable experience of occupational classification, it is admitted that "the success of their efforts must ultimately depend on the ready co-operation of both the men and their employers". A registration notice of the Ministry of Labour (October 1940) adds that very few cases "have so far arisen where there has been reason to doubt the accuracy of the information supplied in this way"; however, the Acts provide for heavy penalties for

¹ There are exceptions even to this, however.

² Moreover, once an enlistment notice has been served on any worker, the fact that his occupation was incorrectly entered in the Military Service Register does not constitute a valid reason for withdrawing the notice.

the giving of false information by or in respect of a man upon his registration.¹

If a man changes his occupation after he has registered, he must immediately notify the appropriate local office of the Ministry of his new occupation; when a man has failed to give this notification, an enlistment notice, once served on him, cannot be cancelled.

It is clear that the role of employment exchanges in the application of the Schedule of Reserved Occupations is of the greatest importance. The fact that Great Britain possessed an extensive and co-ordinated system of employment offices was a major factor in facilitating a difficult allocation of manpower between the armed forces and industry.

Reservation. If, after registration, a man is found to be in an occupation listed in the Schedule of Reserved Occupations and if he was, on the date of registration, at or above the age of reservation marked for that occupation, he is not, as a rule, summoned for service in the armed forces or for medical examination.²

It has not been necessary until recently for employers to take any action to ensure that workers employed by them and reserved under the Schedule are not called up for military service. Now, with the addition of the principle of reservation from a lower age accorded workers on protected work, employers must take the initiative in establishing that they are engaged on protected work, and that their employees who are reserved on the basis of occupation are entitled to the benefit of the lower age reservation fixed for protected work in those occupations.

Men whose normal occupations fall under the Schedule of Reserved Occupations are regarded as reserved under the Schedule if they are or become temporarily unemployed. However, unemployed workers are free to join any of the services of national and civil defence as volunteers "unless suitable employment on important work in industry can be found for them at once or it is known that such employment will be available for them at an early date". If there is any doubt about individual cases, these are decided (after the man has applied to the appropriate recruiting centre) by officers of the Ministry of Labour and National Service.

Men reserved from military service by the Schedule are not, as a rule, accepted for vocational training in Government centres, but they may be accepted if they have been employed for two months or more or if it seems likely that they would be able in future to be useful to essential war industry in their own trade. After workers have completed training, they are

¹ MINISTRY OF LABOUR AND NATIONAL SERVICE: *Registration Procedure* (issued by the Press Office of the Ministry, 31 Oct. 1940).

² This reservation is extended to apprentices and others in periods of preparation for a reserved occupation, as a rule.

reclassified for purposes of the Schedule of Reserved Occupations according to the trade in which they are receiving or have received training, so that, after training, a worker is either reserved for industry or is only called into the armed forces for service in this trade capacity.

Women who belong to occupations listed in the Schedule are reserved, irrespective of age¹; all women, however, are allowed to join any nursing or first-aid service and may volunteer for service in their trade capacity in any of the services of national defence.

The Schedule contains a few reserved occupations which appear on the surface to be relatively unimportant to the industrial war effort. However, the explanation lies in the fact that persons in these occupations have acquired skill and experience which can be readily utilised on work of national importance.

Waiver of operation of the Schedule. Flexibility is introduced into the Schedule by two kinds of special procedure: (1) Although normally no exception can be made to the rule that a man in a reserved occupation, at or above the age of full reservation, cannot be accepted as a volunteer, it is open to any of the Military Service Departments to apply for the waiver of operation of the Schedule in the case of any volunteer whose experience and qualifications are such as to make him of special use to the Navy, Army or Air Force.² (2) On the other hand, in exceptional cases, the calling-up of men employed in reserved occupations but under the age of reservation and of men employed in unreserved occupations can be deferred if it is shown that the work being done by the employers is of vital importance and would be hampered seriously if the workers concerned, even though unreserved, were taken away from it.³

¹ Except in the retail distributive trades, in which the age of reservation is 25. Part IV of the Schedule contains a list of about 85 occupations in which women only are reserved.

² These applications, which cannot be made by the man himself, are sent to the Ministry of Labour and National Service, from which they are submitted to a Committee representative of the Supply and Service Departments of the Government.

³ In the cotton industry, for example, some difficulties were caused by the calling-up of workers in spite of the reservations afforded by the Schedule of Reserved Occupations. As a result, in March 1940, the Cotton Controller announced that he would accept, and after approval forward to the Ministry of Supply, applications from firms in all sections of the cotton industry for deferment of the calling-up of key men whose services were indispensable to the maintenance of production. Applications for deferment could be made by letter by employers, after the workers had registered and after the employer had consulted the employment exchanges to ensure that no alternative workers were available; each letter had to give the following information for each worker affected: Name, occupation, registration number, date of birth, and allocation office of the Ministry of Labour; grounds for deferment; proportion of total output represented by Government contracts and export orders; and Government department with which the firm is principally concerned. (*Manchester Guardian*, 16 March 1940.)

Amendment of the Schedule.

The first Schedule of Reserved Occupations was drafted rather broadly; the intention of the Government was to curtail it as facilities for training and accommodating soldiers increased. This has, in fact, been the primary direction of amendment. In addition, however, a considerable number of the relaxations or additions of reservations have been introduced as a result of industrial experience to date. In other words, the rough list issued before the war has been perfected to correspond more exactly with the requirements of essential industries and of the armed forces in time of actual war.

The Schedule is constantly being studied and revised. Trade unions and employers contribute their views and their experience of its operation and assist in amendment. The actual power of amendment is vested in the Minister of Labour and National Service; but as a general rule he exercises this power on the recommendation either of the National Joint Advisory Council or of an Inter-Départmental Committee representative of the Supply and Service Departments.¹

*Relaxation of the Schedule:**Schedule of Reserved Occupations and Protected Work.*

When entire occupational categories are reserved from a certain age up, there is no method of distinguishing between individuals doing essential work and those doing unessential work. Such a distinction was not, in fact, sought during the first phase of the war. The objective was to maintain a sufficient reserve of workers of occupational categories in which increased demand was anticipated, no matter what the individual job of any of these workers or whether he was employed or unemployed. In achieving this purpose, the Schedule provided a means of preventing discrimination among individuals. Moreover, so long as the requirements of the armed forces could be met by calling up new age classes, there was no major inconvenience in retaining in civil life a number of workers in younger age classes rather larger than would eventually, perhaps, be indispensable.

As time passed, however, the expansion of training facilities made it possible to rely on a smaller reserve of workers in industry, and the ever-increasing military requirements made necessary a more intensive examination of each occupational category (with the exception of a few in which all the workers are clearly engaged in essential work²) in order to ensure that exemption was in fact based upon the essential character of the industrial work being performed. Many of the recent

¹ The meetings of this Committee may be attended by representatives of other Government Departments concerned.

² Certain branches of engineering; ship-building and repairing; certain types of food manufacture; various public utility employments; etc.

amendments to the Schedule have been drafted with this purpose in mind; and the revised edition of the Schedule issued in April 1941 incorporates the principle of reservation based on the character of the employment of each man. The Schedule is now known as the *Schedule of Reserved Occupations and Protected Work*.

Before the publication of the new Schedule, which in fact formalised and extended changes which were gradually being made in the application of the Schedule, special procedures were introduced for various occupational groupings so that general reservations might be relaxed in a discriminating and selective way.

The age of reservation for certain types of electrical workers, for example, which was formerly 21 to 25, was raised to 30 to 35 in late December 1940. But even below the new age of reservation, electrical workers are not to be called up for service (even in their own trades, as a general rule) if individual examination discloses that the civilian work on which particular electricians are engaged is essential. Employers of men who cease to be reserved must apply for their retention.

In the coal-mining industry, the general age of reservation was raised to 30 in many underground occupations in December 1940, after consultation with the Secretary for Mines and employers and workers in the industry. However, in order to determine the number of men among those below the new age of reservation who should be called for military service, special Tribunals (which consist of an independent chairman and two representatives each of employers and workers in the industry) have been set up in the various coal-mining areas. There is no single standard of recruitment, but a standard for each area, based on the state of the trade and the method of mining.¹ After examining the particular position of men and of the industry in their areas, the Chairmen of the Tribunals report to the Minister the number of men under 30 who can be released for military service. The Minister will then call up these men in the normal order, the youngest first and the single before the married. Miners who have been unemployed for more than six weeks will be recruited for service if they belong to an age group that has been called up, but unemployed miners over 30 will continue to be reserved.²

¹ By grouping areas under the same Chairman (there are 22 tribunals but only seven or eight Chairmen), it is hoped to avoid sharp disparities in decisions regarding reservation.

² The South Wales Miners' Federation has denounced this scheme: the Federation claims that any raising of the age of reservation for the various categories of workers should be applied equally to the man-power of the whole industry and that the provision relating to unemployed workers is particularly unjust. The Federation noted that, in practice, the scheme would discriminate severely against South Wales miners because of a depression "which ought never to have been allowed to come about and which ought to be immediately remedied". (Communication from the London Branch Office of the I.L.O.) ,

In agriculture as well, flexible procedures have been introduced to supplement automatic reservation, owing to the variety and specialisation prevailing in agriculture. Agricultural executive committees will, in future, have far greater choice when they consider deferring men on the ground of indispensability. The intention of the Government is to amend the ages from which reservation is accorded in such a manner as to make a much larger number of men than will actually be needed liable for military service and at the same time to enlarge the scope of local committees to recommend deferment to the Ministry on occupational grounds. The employer himself will have to take the initiative in obtaining deferment.¹

Finally, a tripartite Advisory Committee² has been established by the Ministry of Labour and National Service, in order "to examine the reservation position, under the Schedule of Reserved Occupations, of men in the London area who were registered under the National Service (Armed Forces) Act in the occupational group of Office or Department Manager". The Committee will determine (1) whether the business of the man's employer is or is not of national importance and (2) whether the man's own responsibilities are or are not sufficiently important to justify his reservation. If the man's retention is not justified, he will, after notice, be called up for service unless he has secured reserved employment of national importance in the meantime; before enlistment notice is served, however, both the man and his employer will be notified of the proposal to take such action. This examination was to be extended to other areas of the country and to other office and clerical occupations.³

In April 1941, the revised Schedule was issued to broaden these and other such relaxations of the previous Schedule and to introduce formally, as an integral part of the Schedule, the principle of "protected work". The general application of these relaxations is being carried out in two ways. In the first place, the age of reservation in many occupations is raised by 5 to 10 years in three successive stages, to take effect respectively by 1 June, 1 August, and 1 October of this year. In the second place, the principle of protected work is formalised. In many occupations, a lower age of reservation is now specified for a man in a reserved occupation who is engaged on work which is protected because of its importance to the war effort, and a higher age is fixed for a man in the same occupation

¹ Statement of Lord Moyne, House of Lords, 12 Feb. 1941. Practically all of the present labour force for agriculture will be preserved until after the harvest, but in October men will have to be released for other service.

² Consisting of Prof. Jack (Chairman), Mr. McLean (Association of British Chambers of Commerce), and Mr. Stott (General Council of the Trades Union Congress).

³ MINISTRY OF LABOUR AND NATIONAL SERVICE: Press Release of 18 Nov. 1940.

engaged on unprotected work. As a result, men between these two specified ages are reserved if they are doing protected work but are available for military service if they are doing unprotected work. Even essential national work is to be carried on, by men fit for service with military units, only if it cannot be done by an older or less fit man or by a woman.¹

For the administration of the revised Schedule, a Register of Protected Work is being compiled by the Ministry of Labour and National Service. The classes of firms which may apply for inclusion in the Register are set forth in the second part of the Schedule, arranged in five groups. The first group includes the mining of coal and other metals; metal manufacture; ship-building; agricultural machinery manufacture; coke-oven operation; public utilities; railway and dock services; and a variety of other essential industries and services. The second group covers establishments engaged wholly or largely on Government work. The third comprises road transport undertakings and firms engaged in the maintenance and repair of essential motor vehicles if they are judged to be of national importance. The fourth group includes works of building or construction certified to be of national importance. The fifth comprises firms fulfilling conditions prescribed by the Board of Trade for the concentration of production.

Admission of any one of these establishments to the Register of Protected Work does not mean that all men in the plant are reserved, but it means that they are accorded the lower age of reservation. All these arrangements are subject to revision at any time to meet the changing needs of war.

RELEASE OF KEY MEN FROM THE ARMED FORCES

While on the one hand the Schedule of Reserved Occupations was under constant revision and relaxations were made to release for the armed forces categories of workers and individuals not clearly indispensable to necessary production, on the other a far-reaching culling-out process has spread through the forces in order to release key workers needed for important war or export industries. This process has been a necessary complement to the operation of the Schedule.

Despite precautions taken even before the outbreak of war, some essential industrial workers had been drawn into military units where the relative value of their services proved to be less than it would have been in industry. A considerable number of skilled workers from industries essential to the war

¹ "Nothing that a woman can do or learn to do, however important, should be allowed to absorb a man of military age" is the principle enunciated in the memorandum of April 1941 issued by the Ministry of Labour and National Service. In other words, the Schedule is intended to press employers to make the utmost substitution of workers in order to release fit men of military age. (*The Times*, 9 April 1941.)

effort enlisted before the first Schedule of Reserved Occupations went into effect (January 1939) during the period of rapid growth of the Territorial Army, and others entered, in one way or another, after the Schedule became operative. Thus, although the Schedule was a broad precaution against a wave of indiscriminate recruitment, men were drawn into the forces although they were more necessary in industry than to the services.¹

Therefore, from the beginning, arrangements have made possible the return to industry of trained workers in the armed forces, so far as has been consistent with the requirements of the various units. As the trade unions pointed out, misuse of skilled workers by retaining them in military service, regardless of whether full use was made of their special skills, is bound to have an adverse effect on the unions' attitude towards dilution of skilled labour. The unions considered that a demand of employers and of the Government for dilution could hardly be justified until there was proper and complete utilisation of the skills and experience of the existing labour supply.²

At first, informal arrangements existed whereby employers and trade unions could negotiate the return to industry of certain skilled workers. These were formalised by about March 1940 along the following general lines:

Skilled men then serving in Coast, Home, and Civil Defence Forces who belonged to essential industrial occupations reserved from the ages of 18, 21 or 23 in the Schedule of Reserved Occupations were permitted, under certain conditions, to return to their former civil employments — (a) if they were at or above the age of reservation and (b) if they were not officers (including warrant or non-commissioned officers) and (c) if, in field army units, they were not employed in those units in an appropriate trade capacity, and if, in coast and anti-aircraft units, there was no army trade corresponding to their qualifications.³

Enquiries concerning the non-release of any such workers were addressed to the commanding officers of the units in which the men affected were serving, rather than to any of the Government departments.

With regard to men not falling within any of these categories, if an employer considered that it was essential to apply for release of a particular worker, he applied to the Government department interested in the work of his industry (or to the Board of Trade, failing such a department), and that department, if satisfied about the exceptional merit of his application, took up the possibility of release direct with the Military Service department concerned. Applications direct to the Service departments or to the Ministry of Labour and National Service could not be entertained. This meant that the Service departments would only make

¹ As late as May 1940, the President of the Amalgamated Engineering Union declared that there had been "a criminal waste of rare and precious engineering labour" and that the impression was that the main concern of the forces had been to retain men at any cost without regard to the greater service the workers could render in their proper industrial sphere. Similar complaints were registered by the ship-building workers' union. (*Daily Herald*, 7 Nov. 1939 and 28 May 1940, quoted by John PRICE: *Organised Labour in the War*, London, Penguin, 1940, p. 73.)

² John PRICE: *loc. cit.*

³ Similar arrangements were made for men called up under the Military Training Act before the outbreak of war who would have been reserved under the War-time Schedule of Reserved Occupations.

releases in cases where other departments would guarantee that such releases were necessary to secure the best possible utilisation of man-power.

The release of men from the Royal Navy, Army, or Air Force was possible only under very special conditions and within strictly limited numbers. It had to be established fully that work of vital national importance was being held up by the absence of the man concerned. No Army Reservists could be released and the Service departments would release no man "operationally vital" to the forces.¹

This scheme made possible the release for industry of over 30,000 tradesmen for all types of industries up to June 1940.² It has been supplemented by a more general survey of the man-power drawn into the army.

Early in June 1940, corresponding to the drive to expand armament and aircraft production, the Ministry of Labour and National Service worked out with the War Office plans for a more rapid and widespread release of skilled tradesmen required to expedite these types of war production. Names of necessary men were submitted to the Ministry of Labour, with the support of the appropriate supply Ministries, by the firms which had previously employed the workers concerned, and the men were released, provided that they were not "operationally vital" to their units in the army.³

Moreover, as additional aid to essential industries, the army agreed to undertake a detailed comb-out of men who had been regularly employed, before joining up, in certain important occupations and whose services could be temporarily spared by their military units. Each case was scrutinised by the Ministry of Labour and National Service and those selected were released (temporarily always) at once. All these releases have been negotiated by the Ministry of Labour and National Service in direct consultation with the military authorities and, where necessary, with the firms concerned. It is emphasised that direct applications to the War Office or Ministry of Labour from firms for the return of ex-employers are therefore "unnecessary and would merely hinder the smooth and efficient working of the machinery now in operation".⁴

SUMMARY

The Schedule of Reserved Occupations, drafted on the basis of experience during the last war and adopted before the outbreak of hostilities in September 1939, has been the back-bone of British efforts to solve problems of allocating man-power

¹ Leaflet of the Ministry of Labour and National Service, summarised in *The Times*, 18 and 20 March 1940.

² MINISTRY OF LABOUR AND NATIONAL SERVICE: Press Release of 5/8 Aug. 1940.

³ In one month (June-July 1940) orders were issued for the release from military units of over 3,000 such tradesmen.

⁴ MINISTRY OF LABOUR AND NATIONAL SERVICE: Press Release of 5/8 Aug. 1940. *

between the fighting forces and essential industries. No matter how numerous its minor defects, the Schedule has served its main purpose in preventing widespread inroads on the supply of skilled and semi-skilled labour required for essential industrial production.

One of the first requirements of any Schedule of Reserved Occupations is flexibility and continued responsiveness to variations in the industrial and military situation. The flexibility of the British Schedule has been largely responsible for its success. It has been flexible because it has been kept constantly under review, not only by the Government Departments concerned but also by well-informed representatives of employers and workers, and also because it has been administered with a clear recognition of the necessity of flexibility, so that special procedures and arrangements have been devised to meet specific situations.

This same flexibility in the application of the Schedule led to the strengthening of the system of reservation by occupational categories by a process of weeding-out from reserved occupations persons who were not actually engaged on work of national importance, although by training they were capable of doing such work. As the needs of the forces for trained craftsmen expanded, and as the able-bodied male population grew smaller, it was necessary to make provision for a relaxation of reservation. Moreover, it was necessary to make any relaxation selective so that men engaged on vitally important work were kept and men on work of little or no national importance were released for military service. Thus, the principle of protected work, based largely upon individual examination of persons in certain age groups within reserved occupations or of persons in occupations in which the age of reservation has been raised, has now been added to the reservation of workers by occupational categories.

Finally, since the objective of national man-power policy is to place each person where his abilities are most needed, the Schedule of Reserved Occupations has found a necessary corollary in a system of releasing from the fighting forces men who are urgently required, temporarily or permanently, by industries essential to the war effort.

The three systems now in force have given to Great Britain the basis for the solution of the problems involved in the allocation of man-power. The future will see change and revision just as has the past, owing to the constantly changing character of the needs which must be met.

British Dominions

RESERVATION OF WORKERS FOR PRODUCTION

None of the British Dominions has gone nearly so far towards perfecting a system for the allocation of man-power

between industry and the military forces as has Great Britain. Although there is some trace of the principle of a Schedule of Reserved Occupations in the system of each of the Dominions, this principle is more a general guide to policy than a workable administrative document and it is thoroughly reinforced by a basic system of individual examination of applications for recruitment. In some of the Dominions, recruitment is on a voluntary basis with compulsory service limited to periods of relatively short duration and, in some cases, involving obligations for home or coastal defence alone.

Australia is the only Dominion which has actually issued a list of reserved occupations¹, and this list was drawn up directly along the lines of the British Schedule. Both Canada and New Zealand make use of such lists, but have not published any schedules of reservation to date. The Union of South Africa has relied, rather, upon voluntary and administrative action to prevent key workers in specified basic industries from being unnecessarily recruited. In all cases, however, the primary object of policy is the same: to ensure that, while the requirements of the national fighting forces are met, those men who can render relatively greater services in essential industries or occupations are not permitted to enlist in the forces.

The system of attaining this object varies considerably from country to country. In Australia, control over the issuance of certificates of reservation to individual workers essential to industry is entrusted to a central man-power committee, with subordinate district man-power officers in each State, brigade man-power officers in each brigade area, and recruiting man-power officers stationed at each naval, military, and air-force recruiting depot and drill hall. After military recruiting officers have secured the information necessary for their purposes, man-power officers examine each applicant for enlistment and check his age and occupation against the list of reserved industries and occupations. If the recruiting officer and the man-power officer disagree on any particular application, it is referred jointly to the district commandant and the district man-power officer for decision. The list applies to all branches of the armed forces, and prevents men affected from enlisting or being called up, except for service in their technical or trade capacity. As national requirements in regard to the forces, munitions, essential industry, primary production, and transport become more accurately determined or change, amendments and/or addi-

¹ A provisional list was issued soon after the declaration of war; a revised list in November 1940. The occupations covered fall into three main heads: (1) those of direct importance in war; (2) those of importance for the production of munitions or for providing essential commodities and services for the troops and civilian population; and (3) those in which skills acquired can be readily converted to good use on war work.

tions to the list are issued. The Australian list is kept under constant review, just as is the British schedule, and emphasis is placed, just as in Great Britain, on the provisional character of the list at any given moment.

In *New Zealand* as well, men whose calling-up has been deferred by reason of their occupation are granted a special certificate of temporary reservation. The issuance of these certificates is under the general supervision of a Central Advisory Council¹, the main purpose of which is to secure complete co-ordination among the requirements of industry and the armed forces in order to ensure the best utilisation of man-power. No industry, service, or occupation is completely or permanently reserved. Each enlistment or appeal against service is dealt with on its own merits. Decisions regarding the issuance of certificates for postponement of enlistment are made by local man-power committees which work on the basis of a list approved by the Government of occupations considered highly important for war or export industries. These committees have power to refuse any man to the military authorities on occupational grounds, although they have no way of preventing him from giving up his job. Each committee consists of three members—one nominated by employers' organisations, one by workers' organisations, and one by the local authorities.² Efforts to balance recruitment against industrial requirements are furthered by a National Register of man-power, which has been compiled, on the basis of social security returns, by the Man-power Division of the National Service Department.³

Restriction of enlistment in *Canada* is governed by regulations of the Minister of National Defence, with essential occupations, industries, and services defined by Government Departments concerned, in co-operation with employers and workers represented on the National Labour Supply Council. These Regulations limit the enlistment of men engaged in certain important occupations and in essential industries in order that munitions and other industries classified as essential to the war effort may not be "deprived unduly of skilled engineers, mechanics, and other trained workers" necessary for rapid expansion of production. The restrictions apply, as a rule, to men skilled in particular trades or crafts or who

¹ The Council, presided over by the Minister of Labour, consists of one representative of employers and workers from each of the three advisory councils to the Government (Primary Production, Factory Production, and Industrial Emergency) and a senior officer representing the armed forces.

² Previous to February 1940, these decisions had been made by departmental officers of the army and placement service officials, acting in collaboration and as directed by a schedule approved by the Government of the occupations regarded at a given time as highly important for the industrial side of the war effort.

³ This Division was formerly the Registration Branch of the Social Security Department.

have other useful occupational qualifications (training in medicine, engineering, agriculture, other sciences) and who are at the same time engaged in work essential to the war effort. Recruiting officers were instructed not to enlist skilled tradesmen "except in the classes and then only in the numbers required by the particular unit establishment". A list of reserved occupations, somewhat similar to that of Great Britain and gradually modified on the basis of Canadian experience, is used as a general guide to decisions in particular instances. It is planned that, as a rule, applications from industries engaged in war or other important production will be taken into account in restricting enlistment. The list of occupations has not been published but has been placed in the hands of recruiting officers.

In the *Union of South Africa*, action has been taken to prevent two basic industries—gold-mining and agriculture—from being unnecessarily depleted by recruitment for the fighting forces. The Gold Producers' Committee of the Transvaal Chamber of Mines consulted with the Department of Defence, soon after war broke out, concerning the release for military training and active service of employees of the mines. The Department of Defence agreed that, so far as military exigencies might permit, mine workers classified as "key men" would not be called for military service and the industry would maintain the working staff necessary for normal production. Workers in the mines have therefore been told that, before volunteering for training or for active service, they must obtain authorisation in writing from the management of the mine in which they are employed. Workers who join up without consulting the management are penalised by being regarded as having relinquished their employment and therefore as unqualified for special allowances and other provisions applicable to mine workers on military service. In agriculture, recruitment is carried out so that sufficient farmers are left to carry on essential farming operations and to supervise the interests of neighbours who have volunteered. Where volunteering takes place fairly generally and a decision has to be made regarding leaving behind some of the volunteers, this is done through an Agricultural Exemptions Tribunal covering the farming community which is composed of the Secretary for Agriculture, the Deputy Adjutant General, and the President of the South African Agricultural Union.

In cases where voluntary recruitment has been supplemented by compulsory military service of short periods, experience has indicated that special arrangements are necessary to prevent industrial dislocations caused by the withdrawal of men for training. In *Canada*, for example, a thirty-day compulsory training period was in effect for a short time, covering men in a certain age group and affecting nearly 300,000 young men within one year. Although the scheme made

provision for postponement or advancement of any worker's training within a 12-months period (if this was found to be necessary for the maintenance of essential production, and in the case of seasonal occupations), considerable dislocation of war industry was attributed to the short-term withdrawal of large numbers of men, without provision for the complete exemption of key workers. As a result, and for other reasons as well, a four-months training period replaced the one-month period in February 1941, and it is expected greatly to relieve the strain on war industry. Fewer men will be removed from industry (about 72,000 instead of nearly 300,000) and the scheme for 1941 is confined to 21-year-olds, an age class which is said to include a relatively small number of key workers. Although there will be no exemptions from training on the basis of a man's occupation, postponements for occupational reasons will be allowed on the basis of principles worked out by the National War Services Boards in each district, after a general meeting of the chairmen of the Boards.¹ The revised regulations governing National War Service state that, at suitable intervals, the Minister of Labour may furnish to the Boards lists of industries or services considered essential to the prosecution of the war and any employer engaged in any industry or service so listed may submit for consideration by the Board in his district a plan for the advancement or postponement of the military training of any group of his employees or any of his key workers², and may support his application within eight days. Hearings of the Boards on such applications may be attended by representatives of the Department of National Defence and the National Labour Supply Council or these agencies may make such representations as they deem fit. The decisions of the Boards are conclusive and binding upon all concerned.³

In Australia, the same principles apply to training for home defence as to enlistment for oversea service, but there is some scope for differential treatment of particular occupations and districts. For example, in some agricultural areas men can be released for training for some part of the year without unduly adverse effects on production. However, the system of reserved occupations in Australia, contrary to that in Canada, exempts men even from home training in cases where it can be proven that the war effort requires their

¹ Special provisions regarding seasonal workers are retained in the revised regulations.

² A key worker is defined as any man employed by a war industry whose occupation, in the opinion of the Board, may not, for the time being, be interrupted without causing serious loss of effectiveness to the employer's activities.

³ National War Services Regulations, 1940 (Recruits)—(Consolidation 1941). *The Canada Gazette*, 18 March 1941.

services in industry or administration rather than in military units.¹

RELEASE OF KEY WORKERS FROM THE ARMED FORCES

Despite precautions placed upon voluntary enlistment, a certain number of key industrial workers in the different Dominions were drawn into the armed forces, with adverse effects upon necessary war production.² Arrangements have therefore been made to release key workers for industry, either temporarily or on a long-term basis, if they are not performing vitally important services with their military units.

In Australia, for example, even before any provisional List of Reserved Occupations had been approved, the Military Board instructed Commanding Officers to release from military duties (to as great an extent as was practicable) all men who had formerly been employed in key positions in companies holding contracts for important war and defence work. Contractors were asked to communicate directly with Commanding Officers, giving particulars of their key workers who had enlisted but whose services were needed for war production. Then in June 1940, with tremendously increased production requirements, a national effort was made to expand production of munitions and aircraft manufacturing. There was an acute shortage of tool makers and first-class engineering machinists and a general shortage of all types of skilled workers, a situation which threatened to delay the fulfilment of major war contracts. In order to utilise fully the skills of the country's workers, the Army, Navy, and Air Force agreed to comb out of their recruits skilled workers whose services appeared more necessary for industry than for the forces, and to grant such workers special leaves of absence. During recent months, a special section of the Commonwealth Statistics Department has been compiling a census of the vocational qualifications of the members of the armed forces.

In Canada, the regulations issued by the Minister of National Defence provide that if the head of any establishment considers that key members of his staff have been recruited unnecessarily, he may complain to the recruiting officer in charge of the unit in which his men have been placed. If these representations fail to produce satisfactory results, the employer may take the matter up with the local military authorities concerned. Moreover, during the winter of 1940-1941, as production needs expanded, the Government decided

¹ Article by E. R. WALKER, in *Sydney Morning Herald*, 26 March 1941.

² "It is an open secret (the *South African Mining and Engineering Journal* pointed out in December 1940) that, certainly until quite recently, a deal of apprehension existed in industrial circles regarding the outcome of the indiscriminate enlistment of skilled craftsmen and trained workers for the army." (14 Dec. 1940, p. 407.)

to allow men who had formerly been employed as key workers in essential industries to return temporarily, and under certain conditions, to those industries in order to help increase production. The Government has frequently reiterated its wish to co-operate fully with industry in the matter of labour supply; and the Minister of National Defence has given serious consideration to the extended release of enlisted men who could be spared from the forces and whose services were requested by their former employers in connection with war production.

France

At the opening of hostilities, France, faced by immediate national danger, carried out a general mobilisation which withdrew from industry and agriculture an excessively large proportion of the nation's total man-power. As military operations did not develop along the Western front during the following months, action was taken to maintain and to replenish the labour supply for essential industries. The allocation of man-power between the armed forces and industries of national importance was therefore done largely by releasing men from military units to do necessary industrial or agricultural work.

It was estimated that in September 1939 the labour force of munitions factories was reduced by nearly 50 per cent. owing to military mobilisation; workers available for mining dropped considerably; and peasants and agricultural workers were drawn off the land, either to the army or to replace munitions workers, in large numbers. In order to maintain essential production, therefore, several military classes had to be demobilised, and it was also necessary to introduce a system of special releases for the execution of work of national importance in industry and agriculture.

The figure for employment in war munitions industries, which had fallen from 1,230,000 men to 620,000 after mobilisation, climbed back to 1,200,000 men and women by March 1940. About 325,000 persons of this total were "affectés spéciaux"—that is to say, they either had been or were liable to be mobilised for military service but had been granted (by the appropriate military authorities, at the request of the Minister of Labour) special exemptions in order to carry out industrial work of national importance, for which they were fitted by training.¹ The conditions of work and wages of

¹ Statement of Mr. Dautry (Minister of Munitions) in the Chamber of Deputies, quoted in *Le Temps*, 7 March 1940. People in a few administrative or managerial positions had been designated as "affectés spéciaux" before war broke out and were therefore not removed from their civilian posts by mobilisation; most of the others were designated as "affectés spéciaux" after having been mobilised.

these workers were determined along civilian lines. In addition, some 24,000 men were working in the munitions factories as "compagnies de renforcement". They had not been demobilised and permitted to return to industry under special exemptions; rather, in their capacity as soldiers, they were sent to work in factories, and remained under military conditions.

In order to meet the highly seasonal and important requirements of agriculture, various systems of special leaves and releases were introduced soon after the outbreak of hostilities. There had been a widespread and large-scale rural exodus at the beginning of the war, with a resultant acute shortage of agricultural labour of all kinds.¹

In November 1939, the system of temporary release and agricultural detachment from the second reserve (classes of 1911 to 1919) came into effect, together with measures to grant special agricultural leave for the active army and for the first reserve. Moreover, the classes of 1909 to 1911 were demobilised for full-time work in agriculture.

Temporary release for a period of 10 to 60 days, renewable several times in a year, was granted to farm-owners, and tenant and share farmers, on condition that they would devote their entire leave to agricultural work. Release was granted on the recommendation of district (departmental) committees for agricultural production, which also determined the period of leave in accordance with the size and type of the farm. The system of agricultural detachments included both stationary and mobile units. The former consisted generally of agricultural workers who were released for from 15 to 30 days; they might consist of only one worker or of a group of workers. The mobile detachments, on the other hand, consisted of soldiers drawn from every kind of civil occupation, with non-commissioned officers who had been engaged in agriculture. They were made up of 40 to 50 men, as a rule, and were placed at the disposal of farmers for the performance of particularly urgent tasks—harvesting, hay-making, etc. Applications for such detachments were made by the farmers and submitted to the departmental prefects for transmission by them to the military authorities.

Apart from these measures, the army provided direct demobilisation in the ordinary way, agriculturists in the form of fatigue duty done by units near their headquarters and through the loan of horses and means of transport.

The persistent shortage of agricultural labour led to the creation by the Government of a special land army. Without demobilisation in the ordinary way, agriculturists in the classes of 1912 to 1915 were released for service in agricul-

¹ For further details regarding measures to restore agricultural labour in rural areas, see *International Labour Review*, June and August-September 1940.

ture.¹ In addition, soldiers in all agricultural occupations who belonged to territorial units were granted special leave of one month for the spring sowing (1940)²; during this period the normal system of temporary release and agricultural detachments was suspended.

United States

No restrictions have yet been placed upon voluntary enlistment in the regular army and navy in the United States; but skilled men are being urged, in many cases, to remain in industry.³

With regard to compulsory military training, however, the Selective Training and Service Act of 1940 declares that "it is in the national interest and of paramount importance" to national defence that civilian activities which contribute to the "national health, safety, and interest" should encounter as little interference as possible from the introduction of the six months' compulsory military training period.⁴ Deferment of training for occupational reasons is therefore provided for, but only after examination of an individual application for deferment shows that it would be fully justified. The Act specifically provides that no deferment shall be made of individuals "by occupational groups or groups of individuals in any plant or institution".

A registrant is regarded as a necessary man in any occupation or employment (including training or periods of preparation) if he fulfils all of the following conditions: (1) he

¹ Farmers were released for two months' leave, which could be renewed automatically. Agricultural workers were placed at the disposal of the departmental committees for an indeterminate period and their services put to use by these committees. It was estimated that this measure led to the release of over 100,000 men.

² This affected about 400,000 men.

³ Chester Wright's *Labor Letter* of 1 March 1941 stated that enlistment of key men from defence industries has cut production in some instances, but that the Office of Production Management has hesitated to say much lest it should seem to be opposing recruitment. Manufacturers were being told, it added, to hold skilled men on the job so far as possible.

⁴ The Act states that this should be interpreted in the sense (*a*) that the work is useful or productive and contributes to community or national welfare and (*b*) that a serious delay or interruption in such activity is likely to impede the execution of the defence programme. One of the Selective Service officials (Major Battley) recently stated publicly that the purpose of the Selective Service Act was to defer those best fitted to maintain the armed forces by continuing to perform their civilian tasks, and to select those who are best fitted for military training. This does not mean, he added, that all the skilled men should remain in civil life or that all the unskilled should go for military service. It does mean that the productive skilled not required for the time being by the armed forces should remain in their jobs making those things urgently needed in tremendous quantities. (Speech at Conference held under the auspices of the Industry Committee on National Defense, Philadelphia, Penn., 15 Feb. 1941. Proceedings published by the Philadelphia Chamber of Commerce, 1941.)

is actually engaged in necessary work, not merely capable of engaging in such work; (2) he cannot be replaced by others because of a shortage of persons with his qualifications; (3) his absence would cause a material loss of effectiveness in such activity.

Decisions on individual cases are made by the local draft boards set up by the Act. These boards may request the technical assistance of the employment service, of agricultural experts, of scientific technicians, and a board may request that the State Employment Service assign a special agent to it for the purpose of helping sift applications for deferment and securing the necessary occupational information. Deferment is granted for a period not exceeding six months. However, postponement may be extended for further periods (none over six months) after the appropriate local board has reviewed the case.¹

On the whole, the number of skilled men lost by defence industry as a result of the draft appears to have been relatively small, although some States claim to be more seriously affected than others. Some aircraft and other manufacturers complained, however, that various key workers of theirs had been drafted despite employers' protests to the local boards. Largely as a result of the growing volume of such complaints, an official reminder was sent out to State Directors early in March 1941 by the National Director of Selective Service, stating that men needed by defence industries should not be drafted for service and reminding them, rather emphatically, that the draft must be administered in such manner as "not to interrupt, delay or impede" the industrial side of the defence programme.

Some employers are reported to be anxious to obtain more definite assurances that trained men, and men in training as well, will not be called from their jobs to military service. Conferences have been held to discuss the problem, and the matter has been placed before selective service officials in Washington, in the hope that more permanent arrangements will be made before draft deferments are renewed. It is gradually being recognised that the determination of a satisfactory balance of man-power between the relative needs of production and the military forces is one of the most vital defence problems confronting the United States at the present time.

¹ On 26 May 1941, the Selective Service Regulations were amended to provide for two classes of deferment for occupational reasons. The first class of "necessary men" are deferred for not more than six months, just as above. The second and new class of "necessary men" are deferred for an unlimited period, although the cases of individuals affected may be reopened and their classification reconsidered in the same manner as any other classification. (See Section XXX of the Selective Service Regulations.)

CHAPTER II

THE CONTROL OF EMPLOYMENT

The execution of a vast defence programme leads inevitably to a shortage of labour in certain sectors of the employment market, no matter what precautions may have been taken to protect the labour supply for essential industries against indiscriminate recruitment. If the growing needs of munitions industries are to be satisfied, the obvious remedy for such a shortage lies in positive action to increase the supply of labour for nationally important industries by training and redistribution of workers among the different branches of production.¹ At the same time, however, restrictions must often be adopted to ensure that, where there is a labour shortage, workers will be engaged or kept at work in the jobs where they are most useful. Depending on the extent of the shortage, these restrictions will either limit an employer's freedom to recruit certain categories of workers, or make the engagement of these workers subject to official control, or restrict an employer's right to discharge workers or a worker's right to leave his employment voluntarily.

A labour shortage has consequences which are themselves detrimental to production. Once the expansion of undertakings responsible for the urgent execution of defence contracts has led to the absorption of unemployed workers who can be hired without training, employers, under stress of production schedules, are inclined to recruit workers whom they need among workers employed in other undertakings rather than to train additional workers themselves. The consequent competition among employers in essential industries has several disadvantages. In the first place, it leads to excessive labour turnover, which, in turn, is apt seriously to hamper production in factories confronted with a sudden departure of various key workers. Secondly, there is no guarantee that the fluctuations in labour supply caused by the rival offers of different employers will result in the engagement of workers in jobs in which they will be most useful to the defence effort. Lastly, such competition tends to retard the introduction of

¹ An account of these measures will be found in chapters III and IV.

the only measures which can in fact remedy the labour shortage, in particular, the engagement of unemployed workers whose services can be used after a period of retraining.¹

The first method of limiting competition is to urge employers themselves to refrain from trying to engage workers who are already employed on essential work and instead to obtain additional workers through public employment offices. In the United States, for example, a recommendation of this kind appears at the beginning of the report on the organisation of the employment market with reference to national defence requirements which was adopted by the Federal Advisory Council of the Social Security Board on 22 June 1941, and later approved by the Board and by the National Defence Advisory Commission. Clearly, the success of any such recommendations to private employers depends to a large extent on the example given by public undertakings, since it is difficult to expect a private employer to refrain from trying to entice workers away from his competitors as long as similar attempts are made by Government undertakings to entice away his own employees.

Even though the Government sets the right example, however, persuasion alone is often insufficient to outweigh the pressure of circumstance. Many countries have been forced to adopt restrictive measures for limiting or preventing enticement by employers of key men from other establishments. Penalties are sometimes imposed on firms which engage in manoeuvres for "stealing" workers employed in other defence undertakings. But this kind of restriction is not sufficient unless it is accompanied by other measures of a constructive character. It is difficult to enforce a prohibition on labour enticement. Advertising is the only method of enticement which lends itself to easy supervision, and even in this case, the re-

¹ To the extent that the employers' offers of employment to persons already at work in other undertakings are accompanied by the promise of certain advantages, this competition also tends to produce unregulated rises in wages, thus interfering with the normal relations between the wages paid in different industries, occupations, and undertakings, and, by its effect on prices, producing a tendency to inflation. The measures for the regulation of wages which are intended to counteract these dangers clearly have a stabilising effect on the employment market by depriving employers of the chief means at their disposal for attracting workers in rival undertakings. Even though the stabilisation of employment has in some cases been one of the express objects of the measures in question, it seems preferable not to analyse them in this report since they belong to the domain of wage policy rather than specifically to that of employment market policy.

strictions may be evaded with ease unless the use of this method of enticement is completely prohibited or subordinated to official consent for the various categories of workers concerned. If, for instance, employers are merely required to state in their offers of employment that they will consider only the applications of persons who are not employed in the production of defence materials, there is nothing to prevent them from engaging workers who have taken care to terminate their contracts of employment before offering their services to the new employer.

In fact, the limitation of an employer's right of recruitment may prove a dead letter and the Government may be placed in a difficult position for enforcing it in the absence of an efficient employment service which can refer other applicants to an employer in place of workers whom he is not allowed to recruit or to try to engage. It is to be feared that in such circumstances the urgency of an employer's need will outweigh all other considerations and that the authorities themselves will find that they have no moral authority to enforce the prescribed penalties. They may even be unable to make Government undertakings themselves observe the prohibition.

If employment offices are to carry out their duties effectively, they must have as full information as possible on the needs and resources of the employment market. Various measures adopted to obtain these data are discussed in a later chapter of this study.¹ One method may consist in requiring employers to notify the employment offices of their labour requirements and of any engagements or dismissals of workers belonging to specified categories. In possession of this information, the offices can direct workers to jobs in which they are most needed. But in order that the employment service may conform with the requirements of the production programme, it may prove necessary to endow the service with power to control the engagement of workers. In several countries, the right of employers to engage certain groups of workers is accordingly subject to the previous consent of the authorities, or these workers may be engaged only through public employment offices. This control may have two objects. It may be intended to protect the labour reserves of an essential activity (such as mining or agriculture) against the competition of expand-

¹ See chapter V.

ing industries, and in this case the control would apply only to the engagement of workers outside the industry to which they ordinarily belong. Or it may be intended to prevent workers in expanding industries from being enticed from more essential to less essential jobs. In either case, this control is usually accompanied by restrictions on advertisements. It tends, in effect, to give the public employment service a monopoly of placement within the limits specified. Thus, to an even greater extent than the measures already mentioned, it necessitates the existence of an efficient system of employment offices. If, for example, the employment service is unable to direct to employers substitutes for the workers whom it refuses to allow them to engage, or if it cannot find for the workers themselves other employment than that which is refused to them, it will soon be accused of being arbitrary. On the other hand, if it gives way to this moral pressure and relaxes its control, the whole procedure of obtaining official consent in advance may turn into a useless and cumbersome formality. Therefore, measures are adopted in some instances as safety valves so that sufficient flexibility may continue to permeate the employment market and so that persons concerned may be protected against too rigid an application of the system of control. Thus, an employer's obligation to route his labour requirements through the employment exchanges may be limited to a specified period and his right to recruit workers at will may be restored if the employment service is unable to present a suitable applicant within a specified time after the employer's request for labour has been registered. Another precaution is the insertion of a provision stating that permission to engage any worker should be granted if other suitable employment cannot be offered to the worker in question or if he has been unemployed for a given length of time.

In industries or occupations in which the engagement of workers is subject to control, the authorities can ensure that, where a labour shortage exists, and workers are therefore exposed to the competition of several employers, such workers will be taken on in jobs where they are most needed. Indirectly, this discourages a worker from leaving his employment in response to solicitations or in search of better conditions. This form of control does not, however, affect an employer's or a worker's right to terminate the contract of employment. In other words, movements of labour are directed by the authorities but they are in no way prohibited.

If further action is desired to ensure that there will be no interruption of production in consequence of the departure or dismissal of a worker without valid reason, the ultimate measure is to limit an employer's or a worker's right to terminate the contract of employment. Such a limitation may be imposed by special regulations. It may also be a corollary of measures of military or civilian mobilisation. Thus, when a worker who is mobilised or called to the colours is left instead in his civil employment or restored to it, he may retain his military status, and his employment cannot be ended or modified otherwise than by order. Similarly, in countries which have compulsory labour service in some form or other, the status of persons liable to service implies that they are unable to leave, without special permission, the work to which they have been allocated. These last measures, which are adopted for purposes outside the scope of this chapter, will be analysed later.¹

The following pages include an account of controls over employment which have been adopted in several countries. The controls vary widely in scope and in the amount of restriction imposed. Whereas in Great Britain the first restrictions on the freedom to engage workers were comparatively recent and have been largely confined to certain key occupations in essential industries, Germany has gradually established, over a period of some years, comprehensive control of employment: every movement of any worker, with certain specified exceptions, is subject to official control. In France and Japan, too, war has led to strict regulation of certain sectors of the employment market. The British Dominions have adopted various measures intended primarily to put a brake on competition among employers for key workers. Lastly, in the United States, official action has been confined, up to the present, to recommendations urging employers to adopt or not to adopt various methods in recruiting their workers.

Great Britain

Although early action was taken in Great Britain to endow the Government with power to control employment, the first months of war witnessed little more than persuasive efforts to regulate the distribution of labour in essential industries. The Government was hesitant to interfere with the normal course of industry; and even later when some measure of

¹ See chapter IV.

control over employment was exercised, the Government's policy has always been to preserve, so far as possible, the principle of "voluntaryism" which has marked every aspect of the British war effort. The following paragraphs give a brief review of measures adopted and procedures followed.

THE CONTROL OF EMPLOYMENT ACT

The Control of Employment Act, which received assent on 21 September 1939, empowered the Minister of Labour and National Service to make an Order directing (a) that, after the date specified, an employer to whom the Order applied might not, except with the consent of the Minister, publish any advertisement¹ stating that he wished to engage any worker to whom the Order applied, and (b) that, after the date named, such an employer might not engage or seek to engage or re-engage any such worker except with the consent of the Minister or his authorised representative.²

When the Bill was first introduced, it raised a certain amount of protest, particularly among the trade unions, which had had no opportunity to scrutinise its provisions.³ Largely as a result of trade union action, therefore, the following safeguards were included in the Act:

(1) Before making any Order under the Act, the Minister must have referred a draft of it to a committee appointed by him but composed of a chairman and equal numbers of members drawn from representative organisations of employers and workers which appeared to him to be concerned. When the resulting Order was laid before Parliament, a report of this committee was also submitted, so that the House knew whether or not the Order had the agreement of the employers and workers concerned. If within forty days either House resolved that the Order be annulled, it became void.⁴

(2) The Minister might not refuse consent to the engagement or to the re-engagement of a worker unless he was satisfied that suitable alternative employment was available; and, when he refused consent, he must notify the worker of such employment. The worker might appeal to the court of referees⁵ in the district in which he resided. If the court was

¹ The term "advertisement" includes any notice, circular or document.

² An Order might apply to all employers or to specified employers or classes of employers, and similarly to all employees or specified employees or classes of employees. The Minister of Labour explained to the House of Commons that it would, in fact, apply only to a small group of highly skilled workers.

³ Trade unionists were particularly anxious to prevent any undue restrictions on the freedom of movement of workers.

⁴ Without prejudice, however, to the validity of anything previously done thereunder or to the making of a new Order.

⁵ Established under the Unemployment Insurance Act of 1936.

satisfied that no suitable employment opportunity was available, it was required to allow the appeal. The consent of the Minister was effective from the date of the court's decision; and the worker was entitled to compensation for any loss he might have sustained on account of the refusal.

(3) Finally, it was provided that the provisions of orders regarding engagement and re-engagement should not apply in the case of engagements and re-engagements effected by arrangements between employers (or their organisations) and trade unions, and approved by the Minister, whether these arrangements were made before or after the Act came into operation. This was designed to protect the system whereby entry into employment in certain industries or occupations is regulated by trade unions and employers, acting in agreement.

The Minister was empowered to vary or revoke an order; and he might appoint inspectors to ensure enforcement of the Act. Penalties for contravention of the Act were relatively heavy. For each offence regarding the publication of advertisements and the engagement or re-engagement of workers, an employer was liable to a penalty not exceeding £100. In addition, he was liable to a fine of not over £5 per day for each worker he employed in breach of the provisions of the Act. Penalties were also provided for obstructing an inspector in his work, for refusing information, or for providing false information.

At first, there was a widespread belief that the Act came into operation for all employers and for all workers immediately; and, as a result, "the trade unions had to deal with many cases in which employers attempted to prevent workpeople from changing their jobs".¹ As a matter of fact, the Act was only an enabling measure and for the first seven months of the war no use was made of the powers granted by it. The only Order issued under the Act was the Control of Employment (Advertisements) Order, 1940, dated 4 April 1940, which prohibited employers in the building and civil engineering contracting industries who were engaging or about to engage new workers from publishing advertisements for carpenters, joiners, and bricklayers, unless these advertisements were published with the consent of the Minister of Labour and National Service.² The Order did not, apparently, affect advertisements for such workers to be engaged by employers in other industries.

Towards the end of May 1940, however, there was a growing impression that more positive action was needed to

¹ John PRICE: *op. cit.*, p. 112.

² *Ministry of Labour Gazette*, Apr. 1940, pp. 105, 125. The Order had been drafted in Feb. 1940; and a committee representing employers and workers in the industries affected was appointed in the same month (*Manchester Guardian*, 17 Feb. 1940; *Daily Telegraph and Morning Post*, 16 Feb. 1940).

stop competitive bidding by employers for workers in the engineering and other skilled trades. The Select Committee on National Expenditure (a Parliamentary Committee) urged the Minister of Labour to give immediate attention to this problem. The Machine Tool Trades Association demanded definite measures to prohibit the enticement of key workers from one firm to another by offers of higher wages.¹ The annual report of the Oldham Master Spinners' Association, discussing an acute shortage of labour in cotton mills, had voiced strong condemnation of labour poaching², and, during the following months, conferences of employers met to discuss the problem. Government Departments complained that key workers were constantly being attracted from essential to less essential work. Later, the Minister of Labour summarised the situation prevailing at this time as follows: "The labour situation was in chaos. Contracts had been given out to different firms on a basis which enabled them to poach men from other employers and from Local Authorities and the steps they were taking to achieve that end would have soon resulted in a complete disorganisation of our industrial effort. What was more serious was that this was undermining the whole of the Trade Union Movement itself. Agents of a very undesirable kind, who were bribing people to leave any place to go to another and who were profiting by such exchange, were beginning to spring up . . ."³ From June 1940 onwards, therefore, measures have been taken to control the placement of workers in specified occupations.

RESTRICTIONS ON ENGAGEMENTS

The Emergency Powers (Defence) Act, 1940, signed on 22 May 1940, extends powers conferred by the similar Act of the preceding year to include "power by Order in Council to make such Defence Regulations making provision for requiring persons to place themselves, their services, and their property at the disposal of His Majesty, as appear to him to be necessary or expedient for securing the public safety, the defence of the Realm, the maintenance of public order, of the efficient prosecution of any war . . . , or for maintaining supplies or services essential to the life of the community". Regulations issued under the Act on the same day grant the Minister of Labour and National Service the control and use of all the labour resources of the country, by giving him (or his officers) power to direct any person in Great Britain to perform any services required of him and to compel anyone

¹ *Daily Telegraph and Morning Post*, 7 May 1940.

² *Manchester Guardian*, 27 Jan. 1940.

³ Speech of the Minister of Labour and National Service, 20 October 1940, at the Annual Conference of the Society of School Candidates.

to register such particulars about himself as might be demanded.¹ Subsequent Orders of the Minister of Labour and National Service have been issued under these Regulations rather than under the Control of Employment Act, and although the latter has never been repealed, it has, in practice, been largely superseded.²

The Undertakings (Restriction on Engagement) Order, which became effective 10 June 1940, was designed primarily to use skilled labour in the building and engineering industries to best advantage in the war effort by preventing any possibility of enticement of such workers from essential to non-essential work and by centralising and co-ordinating their placement.³

Under this Order, no employer in the building industry, the civil engineering contracting or the general engineering industries may engage or seek to engage any workers, except by notifying the local employment exchange of the vacancy and engaging a worker submitted to him by the employment exchange. Similarly, no worker may obtain a job in these industries except by applying through a local employment exchange. It follows, by implication, that advertisements for these types of workers are banned. However, employers in all these industries may re-engage, without referring to a local office, workers who have been out of their employ for less than 14 days and workers who have been absent through illness or because of a trade dispute.⁴

Additional provisions of the Order make it an offence to engage in any other industry men normally employed in agriculture and coal-mining unless the worker is a person who has been submitted to the employer by a local employment office as suitable for filling a vacancy. This section was intended to prevent any further depletion of the labour supply available for agriculture and coal-mining.⁵ It prevents

¹ Text of Regulations: *Ministry of Labour Gazette*, June 1940, pp. 179-180. Safeguards, pertaining to remuneration and conditions of employment of persons affected by Orders issued under the Regulations, are included. The Minister must take into account standards determined by collective agreement, by joint councils or arbitration or conciliation agencies, or failing any such determinations, standards generally observed by "good employers in that trade in the district".

² John BURKE: *Loose-Leaf War Legislation*. S.R. & O. 1940, No. 781, para. 3 (interpretation).

³ Text of Order: *Ministry of Labour Gazette*, June 1940, p. 181.

⁴ The industries covered by the Order are defined broadly. All categories of workers in those industries are affected, with the exception of managers, salesmen and clerks (except costing clerks, progress clerks and draughtsmen), and domestic servants.

⁵ Lord Addison estimated in February 1941 that agriculture had lost, apart from recruitments for military service, at least 40,000 men to munitions and other industries since the outbreak of war. Since they had been attracted away from agriculture by higher wages and other conditions of work, the Government took action to improve wages in agriculture at about the same time as the Restriction on Engagement Order became effective.⁶

men affected from changing their occupation but it does not prevent them from moving from farm to farm or from mine to mine in any way.¹

Where the engagement or re-engagement of any worker to whom the Order applies is carried out by an approved arrangement between an employer and a trade union, however, the transaction need not go through the employment exchange machinery.

In March 1941, generally similar restrictions were placed on the engagement or re-engagement of workers in the ship-building industry. The Order applying these limitations also provided that arrangements made by joint agreement between employers and trade unions were not to be affected by the imposition of these restrictions.² At the end of the same month, the provisions of the Restriction on Engagement Order of 1940 were extended to the installation, maintenance, and repair of electrical equipment.³

As a rule, the filling of vacancies in the various Government Departments must be channelled through the machinery of the employment exchanges. Employers in plants working under Government control and those in private establishments are urged to keep employment exchanges informed of any changes in their labour requirements, and workers, for their part, are urged to register with the exchanges as a matter of course, so that the employment exchanges may have, at any given moment, a comprehensive picture of the employment market and the trend of demand and supply.

On the whole, the scope of restriction on the engagement of workers has remained limited to a relatively narrow field.⁴ Most positive results have been achieved through voluntary co-operative effort in all matters of employment control. Arrangements made in this way are facilitated by the well-developed and widely used employment exchange system. The exchanges have been and remain the recognised Government machinery for the distribution of the nation's man-power.

¹ The Department of Agriculture has appealed to farmers not to dismiss workers, as the latter might be permanently lost to agriculture. With the increase in unemployment among some coal miners which resulted from the collapse of the European coal export market, employment exchanges have, in some instances, authorised the transfer of miners to other occupational fields.

² Essential Work (Ship-building and Ship-repairing) Order, 1941, dated 7 March 1941. S.R. and O. 1941, No. 300.

³ Electrical Installation (Restriction on Engagement) Order, 1941, effective 31 March 1941. S.R. and O. 1941, No. 409.

⁴ With regard to advertisements for workers, the Minister of Labour stated in the House of Commons on 30 Jan. 1941 that he did not consider that the prohibition of all advertisements for workers of all kinds would materially assist in regulating the distribution of labour and in securing the diversion of workers from non-essential to essential work.

RESTRICTIONS ON DISMISSALS AND RESIGNATIONS

Up until 1941, no direct restrictions had been placed upon a worker's freedom to leave his particular employment at will or upon the power of dismissal of a worker by his employer. With the general tightening of the employment market and the greatly increased need for workers at that time, however, the Minister of Labour intimated that restrictions of this character might be found necessary to supplement voluntary action. He entered into negotiations with representatives of employers and of trade unions, and on 5 March 1941 the Essential Work (General Provisions) Order was signed.¹ This Order, which provides for a register of firms engaged in essential work, takes away the right of an employer in such a firm to dismiss a worker in his employ, except for serious misconduct, unless he has obtained the written permission of the national service officer of the area. Similarly, the Order prohibits a worker engaged in work designated as essential from leaving his employment without the consent of the national service officer. At least a week's notice of dismissal or of leaving employment must be given, and any worker affected has the right of appeal to a tripartite local board.² This Order, which was drafted in detail by the Minister of Labour in co-operation with the Joint Consultative Committee and approved by that Committee, has been termed "the most serious interference with the liberty of the subject that the war has yet produced".³ A generally similar Order, applying specifically to ship-building and repairing, was issued on 7 March 1941. Controls over dismissals and resignations of workers in this industry are placed in the hands of District Shipyard Controllers, with provision for appeal to a tripartite local board just as in the foregoing Order.⁴

In conclusion, it may be noted that the extension of control over engagements and dismissals or resignations may solve some problems only to raise others. Thus, it appears that the prohibition of labour poaching brought about a stand-still of labour, particularly of skilled labour.⁵ This, in turn, has called

¹ S.R. and O. 1941, No. 302.

² The appeal board makes a recommendation to the national service officer, who must make the final decision in the case. The Order also contains provisions stating that undertakings engaged in essential work must observe a fair wages clause, satisfy minimum welfare conditions, and train additional workers as required. Irregular attendance at work or neglect to conform to hours is to be disciplined by national service officers.

³ *Manchester Guardian*, 7 March 1941.

⁴ Essential Work (Ship-building and Ship-repairing) Order, 1941. S.R. and O. 1941, No. 300.

⁵ SELECT COMM'TEE ON NATIONAL EXPENDITURE: *Third Report*, 1940-1941 Session.

for further measures designed specifically to re-mobilise the labour force to the extent necessary to help output.¹

France

Control over employment in France did not develop gradually as it did in Great Britain. It is true that, six months before the war, an acute shortage of particular categories of labour in national defence industries had led to various measures designed primarily to eliminate competition among employers and to facilitate the placement of unemployed workers. A Decree of 20 March 1939 provided that employers must obtain the permission of a labour inspector in order to engage any person working in a defence industry, unless the worker had previously been dismissed from his job. In addition, employers in defence industries were required to notify the public employment exchanges of their labour requirements at least eight days before engaging any additional workers.² But it was only at the outbreak of the war, and with a single stroke, that a comprehensive and strict control of employment was established, as a result of the application of the law governing the organisation of the nation in war-time (11 July 1938)³ and regulations issued thereunder (28 November 1938).⁴

The principal controls effective in France during the war period were: (a) prohibition of advertisements for workers; (b) control of engagements by establishing compulsory use of the employment offices in specified occupations both by employers seeking workers and by workers seeking jobs; (c) control of dismissals and of changes of employment by the requisitioning of labour.

In accordance with a Decree of 26 September 1939⁵, heads of factories, both public and private, might not, as a rule, advertise for workers, or employ any other form of publicity to attract labour, without the express permission of the labour inspector of the district.

The same Decree empowered the Minister of Labour to confer a monopoly of placement on the public employment offices, in employments and occupations specified by him, and enabled him to prohibit recruitment of workers belonging to these employments and occupations through any other agency.⁶

¹ See chapter IV, Great Britain.

² *Journal officiel*, 21 March 1939.

³ *Ibid.*, 13 July 1938.

⁴ *Ibid.*, 28 and 29 Nov. 1938.

⁵ *Ibid.*, 27 Sept. 1939.

⁶ The Minister of Labour invoked these powers and issued a list of employments and occupations, largely in the engineering and chemical trades, to which the Decree applied.

The Minister was also given power to require employers to notify employment offices of every engagement or dismissal of workers in specified employments and occupations. Moreover, in cases where a monopoly of placement was conferred, no employer could post any notices for workers in any place whatsoever. In cases where no monopoly of placement was conferred, notices of labour requirements could be posted only at the door of the factory concerned.

Even before these measures (all designed to regulate the engagement of workers in accordance with production requirements) had been adopted, the stabilisation of employment in work of national importance was attained, on a wide scale, by the system of requisitioning. The law of July 1938 relating to national organisation in time of war provided for the use of collective requisitioning of the managers and of the whole staff of services or undertakings considered indispensable to the nation. The effect of requisitioning of this kind was to prevent any member of the managerial staff or any employee from leaving his employment unless he was ordered to some other post or unless the requisition order for his establishment was cancelled. In accordance with this provision of the law of 1938, a Decree dated 24 August 1939 requisitioned collectively the management and the entire staff of private undertakings and factories in possession of, or about to receive, a contract from the Department of War, Navy or Air.¹

Moreover, the law of 1938 also made provision for individual requisitioning of any man of over 18 years of age for work of national importance in an employment corresponding to his occupational qualifications and skills; this was implemented by a Decree of 19 October 1939.² If an employer considered that a worker assigned to him did not possess the necessary qualifications for the job, he had to inform the labour inspector of this, and the latter had to decide, within three days, whether the worker should be retained in that establishment or transferred to another, or whether the requisition should be cancelled. The worker himself might not leave his employment unless the requisition order was cancelled or another order was issued assigning him somewhere else.³ The position of a requisitioned worker or of an "affecté spécial" and of his employer was further defined in a Decree of 10 November 1939.⁴ Before engaging any worker appointed

¹ *Journal officiel*, 25 Aug. 1939. Including any manufacturer in receipt of orders, preliminary notice of sub-orders or production or manufacturing advices from any Department.

² *Ibid.*, 30 Oct. 1939. Further details on the system of requisitioning are included in chapter IV.

³ If an establishment was moved, the requisitioned workers had to go along with it.

⁴ *Journal officiel*, 16 Nov. 1939.

for special work, an employer was forced to make sure that the worker had in his possession an order from the military authorities cancelling his previous appointment. Before dismissing any worker, an employer had first to have the former's appointment cancelled by the military authorities or to have them transfer him elsewhere. An employer was strictly forbidden to engage any worker without first ensuring that the latter's services were not liable to be requisitioned or that, having been requisitioned for another factory, he had been put at the employer's disposal by a labour inspector or by a Ministry responsible for the allocation of man-power.

During the first months of war, military mobilisation and expanding demands from war industries for additional workers had caused a wide-spread exodus from the rural areas of the country. In February 1940, therefore, action was taken to prevent any further depletion of the labour supply available for agriculture. The Government decided to supplement demobilisation of agriculturists and special leave from the army by a general requisitioning of the whole agricultural and rural population—covering man, woman, and child, whether farmer, tenant, agricultural worker or any kind of rural craftsman. Every such person was declared essential to the war effort and was placed at the disposal of his Departmental Committee on Agricultural Production. Although he could move from place to place more or less at will, he could not leave rural areas and was obliged to devote his entire energies to agricultural or rural tasks.¹

Both for industry and agriculture, therefore, comprehensive controls were introduced rapidly after the outbreak of war in order to prevent harmful labour turnover, thus stabilising the labour supply needed to maintain and to strengthen the economic war effort. The fact that such extensive controls were introduced almost at a single stroke, however, put an extremely onerous burden on the country's employment service.

Germany

Germany, faced with a growing shortage of skilled and other workers, began to exercise controls over employment long before the outbreak of war. These controls were introduced in a gradual manner, and were extended and strengthened to correspond to the exigencies of the general economic and military situation. By September 1939, the placement and allocation of every important class of workers was directed and co-ordinated through an extensive and powerful network of employment offices, which were, in turn, closely

¹ Decree of 23 Feb. 1940 (*Journal officiel*, 27 Feb. 1940). The requisition did not exempt persons affected from military service or regulation.

controlled by economic authorities. Little change was necessary at the outbreak of war to adjust the system to war requirements.

The chronological development of employment controls in Germany is of particular interest, as it gives a significant picture of gradual and complete organisation of employment for purposes of war.

PRE-WAR DEVELOPMENT OF EMPLOYMENT CONTROL

As early as May 1934, the passage of the Allocation of Employment Act, followed by an Order concerning the distribution of labour, indicated that a primary function of the German employment service was henceforward to be an allocation of employment intended to make the best use of the capacities of each worker. Thus, from the middle of 1934 onwards, measures were adopted to regulate the engagement, re-engagement or dismissal of workers in specified industries or occupations or in specified areas. In general, the measures taken indicated where shortages of labour were acute or imminent within the economic framework.

The first measures affected agricultural workers, as expansion of agricultural production was an essential part of the National-Socialist economic programme, and industrial unemployment, when the National-Socialist Government came to power, was widespread. As early as 1934 and 1935, action was taken to prohibit the engagement of agricultural workers in non-agricultural undertakings or occupations without special permission of an employment office, and to compel agricultural workers engaged in other occupations to return to agriculture. At the end of 1936, a new Order was issued in connection with the execution of the Four Year Plan. Since increasing employment opportunities in industry, arising from the execution of the Plan, were threatening to deprive agriculture of its labour force, the Order placed restrictions on changes of employment by agricultural workers by introducing a system of long-term contracts and by giving employers the right to retain the employment book (necessary for finding other work) of any worker who left his work without good cause before the stipulated time.

The application of the Four Year Plan also gave rise to shortages of labour, and especially of highly skilled labour, in various important branches of industry. These shortages were dealt with by measures of increasing severity.

The first step was to prohibit advertisements for workers in trades where shortages were particularly marked. Thus, an Order of 7 November 1936 banned advertisements for the purpose of engaging or placing metal trades workers and skilled workers in the building trades.

A further Order, likewise issued in November 1936, prescribed that no additional metal workers could be engaged in any private or public undertaking in the iron or other metal trades without permission from an employment office, if the engagement of these workers would result in an increase of 10 or more in the number of metal workers employed within any one calendar quarter.¹ Permission to engage workers was given with a view to the political importance of the work in hand and the numbers of metal workers available. It was generally limited to a specified period or granted subject to certain conditions.

These measures proved to be insufficient, however. Metal workers continued to be enticed away by offers of higher wages or by other advantages. The head of the system of employment offices repealed the foregoing Orders, therefore, and issued a new Order on 11 February 1937. This made it compulsory for an employer to obtain permission from the competent employment office before engaging any metal worker for employment in any private or public undertaking or administrative service, in any of the iron or other branches of the metal trade or in any other industry. The permit was granted if the worker was unemployed or employed in another occupation; it was refused if the worker's withdrawal interfered with politically or economically important work.

In the building industry as well, a marked shortage of skilled workers from 1934 onwards led to the inauguration of controls over the employment of these workers. First, an Order was issued requiring that prior notification of all public building projects (including estimates of the number of additional workers required) must be given to the head of the employment service. This was extended to private construction by Order of a later date. Next (as mentioned above), advertisements for skilled building workers were banned. Then, an Order dated 6 October 1937 made the engagement of bricklayers and carpenters dependent upon special permission granted by the employment offices. Continued enticement of workers from one employer to another and a shortage of all types of building workers resulted in replacement of this Order by more comprehensive restrictions on the engagement of building workers in general. In 1938, therefore, an Order stipulated that employers in the industry could not engage workers or technical employees in the building industry, irrespective of their previous occupation, without written

¹ The iron and other metal trades are taken to mean all public and private undertakings in iron metallurgy, the manufacture of other metals, foundries, structural iron and steel works, mechanical engineering, motor, aviation and electrical industry, precision instruments and optical industry, and articles made of iron, steel or other metals. The workers covered included any worker (including foreman or technician) who had a regular vocational training or could be considered a skilled or trained member of any one of these trades.

permission from the employment offices. Here, as in the metal trades, the permit was granted if the worker was unemployed (or employed away from his home and able to rejoin his family if the permission was given) and refused if it interfered with the execution of politically or economically important work.

Special restrictions were also placed on the engagement of workers in the building and chemical industries in certain districts of central Germany in 1937; the consent of the local employment offices was made a prerequisite to engaging workers for employment in those industries.

Finally, in March 1938, another Order provided that the heads of the provincial system of employment offices should have power to issue written instructions to individual plants prohibiting them from engaging workers without the consent of an employment office. The Order applied to all undertakings, public or private, and to all workers engaged therein, and it might be limited in application to specified trades. In fact, the employment offices have exercised these powers gradually.

No measures which had been adopted so far, however, directly affected the right of an employer to dismiss workers or the right of a worker to leave his particular employment. The first restrictions on these rights were those resulting from the introduction of compulsory labour service in June 1938.¹ Persons called to perform such services were not permitted to leave their employment or to be dismissed without special permission from the employment offices.

On 10 March 1939, an Order imposed further restrictions on the rights of employers and workers in regard to engagement, dismissal, and voluntary leaving of employment, and took the place of all previous measures relating to the right of placement in employment. The Order, which applied to all workers and salaried employees, employers, and persons engaged as members of an employer's family, provided that contracts of employment might not be annulled, except with the approval of an employment office, in undertakings in the following industrial fields: agriculture, forestry, mines (other than coal mines), chemical industries, iron and metal industries, and the manufacture of building materials. Permission was not required, however, when the contract was terminated by agreement between the two parties, or where the worker was engaged on probation or as a temporary extra and his employment lasted no longer than a month. Exemptions were also allowed for agriculture.

Moreover, workers in certain groups might not be engaged by a private or public undertaking or administration without the permission of an employment office. These groups included workers under 25 years of age (except in agricul-

¹ See chapter IV.

ture, forestry, navigation, and domestic service), metal workers (except in agriculture), and workers whose last employment was in agriculture or forestry, mining (other than coal), the chemical industry, the manufacture of building materials or the iron and metal trades.¹ Building undertakings were prohibited from engaging any technical or other worker without permission from an employment office.

At the time of the outbreak of hostilities, therefore, the control of the State over employment was comprehensive. The authorities had virtually unlimited powers to regulate every aspect of employment organisation.

PRESENT CONTROL OF EMPLOYMENT

The system of employment control was consolidated at the outbreak of war by a Decree of 1 September 1939, implemented by an Order of 6 September 1939, which applied general restrictions to the right of any worker to enter into and leave employment, and to the right of any employer to engage or to dismiss workers at will. The object of the Decree was said to be to prevent avoidable labour turnover and to enable the employment offices to direct and to allocate the labour supply in accordance with political and military needs. "What is new compared with the legal situation up to now", the *Reichsarbeitsblatt*² stated, "is mainly the extension of the scope regarding the persons covered. There is now in force a general restriction on dismissal and engagement."

The Decree stipulates that no worker, salaried employee, apprentice, voluntary worker or probationer can be engaged for work in any private or public establishment or administrative service of any kind or in any household without the specific consent of the competent employment office. Exception was made for agriculture, mining, and domestic service in houses in which there were children under 14 years of age.

Similarly, no employer and no worker may terminate a contract of employment or apprenticeship without the consent of an employment office, unless (a) the worker gives notice while on military service, or (b) the parties agree to terminate the contract, or (c) the work of the firm is suspended for one reason or another, or (d) the worker is engaged as a probationer or substitute and the contract ends within a month, or (e) the worker works only occasionally or receives little pay and is consequently not covered by sickness insurance. In all except the first and last cases, a worker who leaves his job must register with an employment office. These restrictions are not intended to prolong any contract of employment which is not

¹ Permission was not necessary for the engagement of such workers if they were engaged for work in the same branch of industry as their last employment, or in agriculture.

² 25 Sept. 1939.

of use to the national employment market or is undesirable for some reason. Their consequence is, however, that workers covered by them remain in employment until new employment has been found for them. This explains the extremely low total number of unemployed workers registered by the German employment offices. Moreover, the fact that a worker must register even if his employment was terminated without the consent of such an office, makes it possible for the authorities to ensure that a worker freed by these arrangements is in no case lost for the employment market but can be placed immediately in another job where he is needed.¹

The Order expressly states that an employment office, in dealing with applications for the engagement or dismissal of workers, must take into account: (a) the general principles of national policy; (b) the principles guiding the systematic distribution of the nation's labour resources and wage policy; and (c) the opportunities for workers or salaried employees to advance in their occupations. The Minister of Labour, or the presidents of the regional employment offices acting for him, may exempt any branch of the economic system or any particular establishment, household, or person from the scope of the Decree.²

As a result of these measures, the employment of all types of workers is sifted and controlled through the employment offices. The system of control differs from that of Great Britain in the character of its development and in the amount of compulsion adopted, and still more in the absence of any participation of workers, and of employers as well, in the planning and execution of employment controls.

BRITISH DOMINIONS

Australia

Some measure of control over employment in Australian war industries was established by the National Security (Employment) Regulations which came into force on 13 December 1940, modifying Regulations on the same subject issued on 5 June 1940.³ According to these Regulations, an employer who is not engaged in the production or reconditioning of munitions of war may not hire, unless he has obtained a special per-

¹ *Arbeitertum*, 15 Oct. 1939.

² *Reichsgesetzblatt*, 1939, I, p. 1685 and p. 1690.

³ Statutory Rules, 1940, No. 287. The National Security Act (No. 44 of 1940) gives the Governor General power to make such regulations requiring persons to place themselves and their services at the disposal of the Commonwealth as appear to him necessary for the prosecution of the war, public safety, or the defence of the Commonwealth. The previous Regulations, which were superseded by these Regulations (although arrangements made under them continue in force), were drafted along generally similar lines but were more restrictive in character, providing that workers could not move from any one place of employment to another without a special permit.

mit from the Director of Labour of the Department of Munitions, any worker belonging to an occupation in the metal trades, the motor vehicle building trades, or other trades, enumerated in an attached schedule.

Moreover, partly in order to limit competitive bidding among employers for workers in the metal trades and for mechanics, no employer engaged in the production or reconditioning of munitions may offer to pay any worker covered by the Regulations and directly employed in work on munitions of war (including plant maintenance) more than the marginal rate of pay above the basic wage specified by the Regulations for each occupation.¹

The occupations to which these restrictions apply include electrical fitters and mechanics, forgers, instrument makers, die testers, machinists, tool and pattern makers, welders, smiths, boilermakers, frame benders, moulders, and others. Casual workers are included as well as ordinary workers. In February 1941, the trades of shore shipwright, shore carpenter and/or joiner, and ship painter and/or docker, were added to the list.² Munitions of war are defined very broadly and include any machine, machine tool, jig, gauge, die, or template necessary for the production, repair, or overhaul of munitions of any kind.

The problem of labour enticement has not yet been completely solved. Many employers engaged on war work continue to compete for various types of skilled workers. The unions, for their part, are not ready to accept further restrictions on the workers' freedom of movement unless they can be proved to be indispensable and unless they are accompanied by some equal sacrifice of privilege on the part of the employers. The shortage of skilled tradesmen has been growing more acute in recent months, however, and it is now generally recognised that it is essential for such workers to be employed where they can make the most effective contribution to the war effort.³

New Zealand

The National Service Emergency Regulations, adopted in New Zealand in June 1940, include provisions regarding the control of employment in essential industries. The Minister of National Service is authorised to direct any worker or class of workers to remain in specified industries, occupations or

¹ These marginal rates above the basic wage are minimum rates as well. There are specified exceptions for a few occupations. The marginal rates represented an increase of 6s. a week on existing margins under the Federal metal trades award as partial compensation for restriction on the freedom of movement of the men affected.

² Amendment of National Security (Employment) Regulations. Statutory Rules, 1941, No. 29.

³ *The Herald* (Melbourne), 5 March 1941; *The Employers' Review* (Sydney), 31 March 1941, p. 149; article by E. R. WALKER, in the *Sydney Morning Herald*, 26 March 1941.

establishments and not to leave such employment without first obtaining his consent. Every person subject to this control must immediately notify the Director of National Service if he ceases to be engaged in an essential occupation or if he changes jobs or if he ceases to be employed. Similarly, the employer of any person belonging to these classes must immediately notify the Director if any person so engaged leaves his employment or otherwise ceases to be engaged in an essential industry or occupation or establishment.¹ The same Regulations introduce compulsory national service for every person of 16 years of age and over, irrespective of sex, and govern the conditions under which such persons may be required to perform work of recognised national importance.²

As a matter of fact, these far-reaching powers do not appear to have been put to use as yet. However, there have been increasing complaints from firms engaged in war production about the enticement of skilled workers by firms engaged on less urgent work. The Armed Forces Appeal Board recommended in one case that the Government should prohibit particular skilled workers from leaving their employment during the war. Others have urged that all restrictions should be applied in due form and in accordance with a general policy of mobilising man-power for industrial needs, rather than in a piece-meal fashion which would tend to particularise too much among different individuals.³

Union of South Africa

Essential industrial activity in the Union of South Africa was subject to pressures generally similar to those which influenced action to control employment in the other British Dominions. The limited supply of trained workers suitable for employment in war industries led to competition among employers and Government departments for the services of these workers. Moreover, military authorities were forced to make inroads on this same limited supply, thus intensifying industrial difficulties.

During the first year of war, however, the Government relied largely on the course of economic and military activity to effect a satisfactory adjustment of the labour supply for essential industries. It condemned labour poaching and used indirect pressure of various kinds to keep skilled workers in es-

¹ National Service Emergency Regulations, 1940, Order in Council of 18 June 1940, *New Zealand Gazette*, 18 June 1940. New Zealand, as well, has enacted legislation enabling the Government to mobilise all the human resources of the country, as required for the prosecution of the war.

² See chapter IV, p. 178.

³ *New Zealand Herald*, 7 March 1941.

sential jobs. But, just as in the other Dominions, this type of action was not sufficiently positive to correct the evils consequent on the shortage of trained labour.

In February 1941, therefore, comprehensive powers to control employment in essential industries were granted to a Controller of Industrial Man-Power, who carries out his work under the general direction of the Minister of Defence.¹ The Controller may declare any industry, throughout the country or in a specified area, to be a controlled industry, as and when he considers control over the resources of an industry advisable in order to procure the best utilisation of its resources in the war effort.

As regards any industry designated as controlled, the Controller has power, *inter alia*:

- (a) To compile a register of all workers in that industry and of all workers qualified to take up employment therein;
- (b) To prohibit any person from performing work not of a specified type in such an industry;
- (c) To prohibit any person from performing any specified work or any work of a specified type in any such industry;
- (d) To prohibit the engagement, resignation or discharge, without the prior consent of the Controller, in such an industry of any specified worker or of any specified class of worker, either generally or in a specified area or in a specified establishment;
- (e) To terminate or to suspend the employment of any worker in any establishment and to terminate or suspend any contract between any employer in a controlled industry and any worker (not being an agreement under the Industrial Conciliation Act of 1937) or between any persons, if, in the Controller's opinion, it is in conflict with any order or rule made by the Controller.

As a result of these Regulations, the Government of the Union of South Africa is now in a position to exercise comprehensive controls over the engagement, dismissal and resignation of workers in industries essential to the war effort.

Canada

The limited supply of skilled and experienced labour in Canada gave rise to competition among employers for trained workers during the early months of the war. In the summer of 1940, important branches of industry complained that the practice of inducing workers to leave one firm for another was interfering with the fulfilment of major war contracts. At first, the Government attempted to deal with the problem by persuasion and by pointing out the serious effects of this com-

¹ Union of South Africa Regulations: Control of Industrial Man-power. *Government Gazette*, 13 Feb. 1941.

petition on the supply of skilled labour required for work in progress for the Department of Munitions and Supply.¹ The competition continued, however, becoming more serious from the point of view of the execution of contracts. On 7 November 1940, therefore, the "Enticement Order" was issued providing fines of up to \$500, on summary conviction, for establishments guilty of advertising, publicly or privately, for workers without stating that applications for employment would not be considered from persons employed in the production of munitions, war equipment or supplies for the armed forces, subject to an exception for workers not actually employed in their regular trade or occupation.² The Minister of Labour characterised the Order as "the first notable restriction on industry since the outbreak of war".³

United States

No obligations have been placed upon employers to obtain their workers through public employment offices and no obligations have been placed upon workers to obtain their jobs through such offices. However, Government officials, both Federal and State, have been campaigning steadily for a wider use of the Employment Service both by employers seeking workers and by workers seeking employment.

Very soon after the inauguration of the large-scale defence programme, the Federal Advisory Council on Employment Security issued a report, subsequently accepted by the National Defense Commission and by the Social Security Board, which recommended that employers be encouraged (a) to file their labour requirements (by occupation and skill) with public employment offices, and (b) "not to advertise or solicit competitively anywhere, nor to recruit outside their immediate locality, until the local employment office has had an opportunity to meet such requirements locally or through its inter-city and inter-state clearance machinery".⁴

Government departments make it a general practice to use the facilities of the United States Employment Service in recruiting any workers needed by them. As a rule, employers

¹ The Canadian Government has also been granted power to control the human and material resources of the country as required for the efficient prosecution of the war.

² It still appears to be open to an establishment to take workers away from other firms, provided that the provisions as to advertising and soliciting are not violated.

³ Text of the Order, *Canada Gazette*, 13 Nov. 1940. An interesting case came up in the Montreal courts early in 1941: a worker was accused of soliciting other employees in his plant to take jobs in another establishment. The judge considered, however, that there was no offence against the Order in Council if a worker suggested to fellow workers that they could obtain better conditions in another firm. (*The Gazette*, Montreal, 6 March 1941.)

⁴ The report was issued on 22 June 1940.

have expressed a desire to co-operate with the Service; but, since many of them have never been accustomed to finding their workers through public employment offices, there has been a great deal of private recruitment, competition for workers, and soliciting, with some unfortunate results. Thus, in March 1941, the Director General of the Office of Production Management (Mr. Knudsen) wrote to all employers working on defence contracts asking them to recruit their workers through employment offices of the U.S. Employment Service. He explained that some employers had engaged in "labour scouting and nation-wide advertising" which had led to "unnecessary migration of labour, high rates of labour turnover, disturbances of established labour standards in local areas, and other wasteful and inefficient practices which the nation cannot afford".¹

Many State Employment Services have launched appeals to employers for generally similar reasons. In New York, for example, the Service is trying to convince employers that it is "easier, cheaper and more effective" to find workers through public employment offices than to "steal" skilled workers from other employers. Industrialists in the State have complained of interruptions and delays in production caused by "labour poaching", and the employment offices are urging employers, inside and outside of the State, to ask public employment office help in finding additional trained workers instead of sending recruiting agents to other plants to hire persons already employed on defence jobs.²

These campaigns to encourage a greater use of the facilities of public employment offices have, in fact, resulted in a far wider use of the services of these offices in the majority of the States of the United States in the course of the last year. "Both employers and workers are co-operating wholeheartedly", the Federal Security Administrator stated recently. State employment offices report increased orders and enquiries from employers as a result of appeals to defence contractors to utilise fully the facilities of the Employment Service.³

Japan

The General Mobilisation Act of 1 April 1938 gave the Government of Japan powers to take any action which appeared necessary to direct the engagement and dismissal of the nation's workers. Since the country's problems of labour supply

¹ *New York Times*, 2 March 1941.

² *Ibid.*, 9 March 1941. Some States have encountered a problem in the rapid development of many new private employment agencies. Their growth has brought to the fore the need for effective regulation, by State and/or Federal legislation, of the activities of such agencies.

³ FEDERAL SECURITY AGENCY, SOCIAL SECURITY BOARD. Press Release of 11 April 1941.

have related primarily to skilled workers and technicians. Orders which have been issued in application of these powers have been largely concerned with imposing restrictions on the engagement of these categories of workers.

In the first place, the employment of graduates of technical schools who were qualified for jobs in essential industries was regulated by an Order of 24 August 1938.¹ A special committee consisting of officials and of representatives of the establishments concerned was set up under the chairmanship of the Minister of Welfare. Each employer had to submit to the committee a precise statement of his requirements for technicians; and the committee had to allocate the supply of such workers in accordance with the national importance of the work being done by each employer's establishment. No employer was allowed to employ a larger number of workers than that allotted to him. The graduates covered were those who were qualified for employment in mining, metallurgy, electrical engineering, transport, ship-building, and the chemical industries.

A further Order, dated 30 March 1939, extended control over the employment of many groups of essential skilled and technical workers.² These workers were divided into four groups according to their skills and experience and no one of them could be engaged without the permission of a local employment office.³ The Order applied to workers in nearly 100 skilled trades in the machine-tool, metal, and mining industries, enumerated by the Minister of Welfare, and revised as and when he considered regulation of placement necessary in order to meet national defence requirements.

¹ *Kampo*, 24 Aug. 1938.

² *Ibid.*, 31 March 1939.

³ The Director of the office might require them to report to him or he might appoint officials to make inspections to ensure the enforcement of these provisions.

CHAPTER III

VOCATIONAL ADAPTATION OF LABOUR SUPPLY

Measures described in the preceding chapters are negative in character. Their aim is to protect essential industries either against the rival demands of the armed forces or against the harmful competition of employers for the services of trained workers. In neither case, however, is the root of the evil, the shortage of labour, attacked. The foregoing measures make it possible to remove rivalry between different interests by trying to determine priorities in the needs to be met; but often the methods adopted are acceptable only temporarily, since many interests so subordinated cannot be ignored in the long run. Side by side with the expansion of the defence programme, the needs of the armed forces become greater, and sooner or later the question arises of calling or recalling for military service at least part of the workers who at first were left for industry. At the same time, however, the expansion of essential production itself creates steadily increasing demands for labour. Choice between these demands by strict control of engagements and dismissals is no longer sufficient. All requirements must be met simultaneously.

It follows that at each stage of the defence programme essential industries must be able to find the additional workers necessary to replace persons called for military service and to meet the growing production demands of wartime. Failing supplementary sources of supply, the authorities will be faced with the alternative of resigning themselves to slowing down the execution of the programme or, if this is impossible for reasons of national security, of introducing longer hours of work. Experience both during the last war and during the present war, however, has made it clear that an extension of hours beyond certain limits entails drawbacks which very soon counteract anticipated advantages in output. Such extensions can never be regarded, therefore, as other than a short-term emergency measure intended to fill a temporary gap. Unless this gap is rapidly closed by the engagement of additional workers in accordance with requirements, a prolongation of

hours of work will have nothing but precarious results. The slowing down of the defence programme will have been delayed but not avoided.

There are a great variety of reserves from which additional labour can be drawn. They may be divided into six groups: (1) the new generation of workers who enter the employment market every year; (2) unemployed workers; (3) workers in essential industries in jobs which do not fully utilise their qualifications or working capacity; (4) workers in industries or occupations which could or should be curtailed for general economic reasons; (5) persons who do not ordinarily look for paid employment or have ceased to do so, such as most married women, pensioners, and persons living on private incomes; and (6) foreign workers.

From a social and economic view-point, it is clearly advantageous to put to work first the persons in the first and second groups, and then to organise the utilisation of the latent reserves of workers in the third and fourth groups, before calling on persons who are normally outside the employment market and before recruiting foreign workers. If the expansion of the labour supply of essential industries could be reduced to quantitative terms, it would be possible to keep strictly to this order in recruiting workers. In fact, however, the problem is one of quality as much as of quantity. The numerical aspect predominates only in the case of the demand for unskilled workers, and the increase in this demand is relatively small. The qualitative aspect becomes important as soon as the demand for semi-skilled workers (a demand which is very large with modern mass production) arises; and it is the over-riding factor in the case of the demand for technicians, foremen and other supervisory personnel, and skilled workers.

It is precisely for these last groups of workers—where supply is least elastic owing to the duration of their training—that demand increases most rapidly during the first stage of industrial expansion. The new generation of workers and the unemployed cannot ordinarily supply a number of readily employable persons large enough to meet immediate needs. Young persons who finish their technical training or apprenticeship during the months following the inauguration of a defence programme cannot satisfy a demand which could hardly have been foreseen at the time when they reached the age for choosing a career. An immediate increase in the number of

young people entering apprenticeship and technical schools will help to guard against future shortages and is essential in so far as it is expected that the demand for the categories of workers in question will continue to exist when these young people have completed their training. As a means of closing the gap during the interval, some countries have tried to speed up the training of pupils and apprentices already undergoing training. But care for the future of the young people themselves and for the general economic and social value of their training is a strong argument against going very far along these lines. On the contrary, it has often been found necessary to take action to prevent a premature termination of their training. In time of war both subjective and objective factors threaten the continuity of such training. Subjectively, it is endangered by the attraction of openings for immediate employment in the more low-skilled categories and by the discouragement that may be felt at the prospect of continuing a training which will not be over until the age for military service has been almost reached or even passed. Objectively, it is endangered by the partial or total closure of non-essential undertakings and by military recruitment where this takes place before the end of the period of training.

The additional technicians and skilled workers who are needed at once for the expansion of essential industries can be drawn to some extent from the ranks of the unemployed. Recent studies of the structure of unemployment, however, have shown that as a rule the proportion of unemployed is smaller among skilled workers than among other groups. In most of the occupations connected with employment in essential industries, the gradual growth of munitions production had already created a shortage of suitable workers in many countries even before defence production was placed in the forefront of the national economic programme. This had led to various new measures or to the extension and reorientation of existing programmes for vocational training and retraining. With the enormous increase in the demand for skilled workers as the defence programme began to dominate the national economy, efforts for the vocational selection and training of the unemployed have naturally been pressed forward with the greatest energy. Many standards of selection, such as the age restrictions to which admission to training is normally subject, suddenly lose all significance when demand becomes wide-

spread. The wages or allowances offered as financial encouragement to unemployed workers who can be retrained must often be increased. Training centres and the agreements made with employers who participate in the training programme must be expanded and adapted to new conditions.

As soon as a national defence programme is put into effect, however, the increase in the demand for skilled workers is so great that it usually exceeds the increased supply that can be obtained more or less rapidly by a systematic utilisation of those unemployed workers who have already had some training or who can be retrained. It follows that long before unemployment can be deemed to have been absorbed, other labour reserves must be explored in order to find the additional workers who are necessary. Such a procedure does not slow down the absorption of the remaining unemployed; on the contrary, it accelerates it in so far as the immediate engagement of additional workers of higher grades of skill makes it possible to engage other less skilled workers at once or later. However, the process may give rise to much misunderstanding unless the persons directly concerned can be sure that every possible preference is accorded the unemployed in the matter of employment. Such certainty can only exist if the country in question has a placement system of recognised efficiency. It can be much strengthened if organisations of employers and workers are in a position to collaborate in the operation of the machinery and to give it the benefit of their special experience of the employment market.

A certain number of workers whose skill can be used at once may be found among those who have retired comparatively recently on account of age, but who for various reasons are willing to return to work either on their own initiative or on the invitation of former employers. Additional skilled workers can also be recruited from non-essential industries; and this number can be much increased by providing "conversion" training designed to adjust their working capacity to employments available in essential industries.

Important and urgent as this transfer of workers from one industry to another may be, it is equally important and urgent that the services of workers who are readily employable in essential industries should be properly utilised and distributed. Various categories of experienced workers can be set free by

measures to control the utilisation and distribution of workers who already possess essential skills.

During the economic depression, workers who had previously been employed on highly skilled work were forced by the pressure of prolonged unemployment to accept jobs in which their special skills were not fully utilised. It is clearly in the interests both of production and of any such workers to place them once again in jobs where they can make the most of their capabilities and, where necessary, to provide them with training to refresh or to modernise their skills. The trade unions, by canvassing their memberships, can be of special assistance in discovering workers employed out of their own trade and below their level of technical skill.

An important source of supply can also be found in each undertaking among the best workers in the occupational category immediately below that in which employment vacancies exist. This up-grading can be organised systematically by a continuous process of vocational selection and training within any plant. The process is of advantage to the workers themselves, and also to industry, since, on the one hand, it enables the most deserving to benefit by the openings for promotion created by economic expansion, and on the other, it makes possible the filling of vacancies in the more skilled categories of jobs, thus opening vacancies in the less-skilled employments which can be filled more easily by unemployed or inexperienced workers.

Side by side with these manifold measures for making available to essential industries an increased number of skilled and semi-skilled workers, strict economy must be practised by those industries in the utilisation of the services of workers who are already highly skilled or specialised. The problem of increasing the supply of suitably trained labour can be solved more easily when the demand to be met is confined within as narrow limits as possible. An adequate check of the utilisation of man-power may reveal possible economies. Factories with war contracts, aware of the shortage of skilled workers, naturally tend to keep for themselves any trained workers already in their employ, even though they may have too many for their present demands. They hope for increased orders and fear that if they dismiss their skilled workers to-day, they may not find more to-morrow, and that future expansion of their activity would become impossible. In the meantime they

employ these workers on work which does not call for all their skill. Such a practice, if based on false conjectures, is real waste. It is necessary, therefore, to check the accuracy of any employer's forecasts, and should the reserves which an individual plant has accumulated exceed its real needs, to place the surplus at the disposal of the industry as a whole. Moreover, a reorganisation of working methods in any one plant may frequently lessen the demand for skilled workers. A suitable and efficient division of labour, based on detailed job analyses, makes it possible to entrust to semi-skilled workers certain operations which are normally included in the duties of skilled workers, and to reserve the more delicate operations and the supervision of the new duties of the semi-skilled workers for skilled workers. Where the utilisation of skilled labour in relation to other grades is the subject of trade union rules, this redistribution of jobs, known as dilution, calls for agreement between the employers' and workers' organisations. Here, again, it is superfluous to emphasise how much easier it is to obtain such agreement if there is an efficient employment service and if organised employers and workers take part in drafting and applying the whole labour supply policy, thus ensuring that the proposed dilution is necessary and that it will be kept within the limits of the specific requirements of the employment market at any given moment.

The measures which have just been described, when applied to the whole of an industry, are equivalent to a rationing of skilled workers among the plants concerned. They lead to a decline in the demand for workers whose supply is small and inelastic and to an increase in the demand for those categories of workers whose numbers can be increased most rapidly.

The demand for semi-skilled labour which thus replaces that for skilled labour is additional to the enormous demand which is the automatic result of the expansion of mass production. The problem raised by this increase in demand is very largely posed in quantitative terms. What is needed above all is to find a sufficient number of workers by drawing systematically on all available labour reserves. The obstacles to occupational mobility among semi-skilled workers are not so great as those which exist among workers of higher skill, and the absorption of the unemployed can be carried much further before workers in employment in other industries or persons

not spontaneously looking for paid employment are mobilised for war work. Since preparation for total war requires that full use be made of all the resources at a country's disposal however, there is no question of waiting until one of the reserves enumerated above has been exhausted before examining the next and organising its use.

Although the qualitative aspect of the demand for semi-skilled workers is not so great a difficulty as in the case of skilled workers, it is far from negligible. The large numbers of persons who are recruited for semi-skilled work usually need some kind of training. Its provision is easier than in the case of skilled workers, however, because there is time to furnish it, since the demand for semi-skilled labour does not assume its full dimensions until after the first stage of the defence programme has been passed and since the training required for most semi-skilled workers is relatively short. On the other hand, it is essential that the valuable interval between the launching of a defence programme and the stage at which the demand for semi-skilled labour reaches its peak should be used to overcome the special difficulties of the training problem.

The first of these difficulties lies in the fact that the vocational training of semi-skilled workers cannot draw on the same experience and traditions as that of skilled workers. Preparatory work is therefore needed in order to fix the standards of competence and the most suitable period and methods of training for each occupational group. Moreover, the problem of the selection of methods does not take the same form in each country and in each industry. In a highly industrialised country where many industries have an established tradition of vocational education and trained staffs at their disposal, it is possible to rely very largely on the collaboration of employers themselves for giving the new workers the necessary training, leaving any additional instruction that may be needed to technical schools. In countries which are not so advanced industrially the problem is quite different. It is necessary to organise special courses of vocational training, to be attended before entering employment; and for this purpose the facilities of existing vocational and technical schools have to be used and expanded to the utmost. Even in highly industrialised countries, however, the number of workers to be trained at certain stages of the defence programme is so great

that it is not possible to rely on intra-plant training alone. Whatever the predominant method, there must always be close co-ordination between workshop and school so as to secure that precise adjustment of vocational training to actual industrial needs which constitutes the great advantage of intra-plant training. Once again, the direct collaboration of industry and labour in the preparation and carrying out of the programme is essential.

A second difficulty, and one which complicates the solution of the first, is to find premises, equipment and instructors for the vast numbers of additional workers who have to be trained. The needs of vocational training often compete with the immediate needs of essential industry. The equipment required for the extension of such training is the same as that required for the expansion of defence undertakings. Moreover, instructors are to be found largely among the skilled workers of essential industries, whose shortage is one of the chief obstacles to the acceleration of production. This problem of allocation is particularly difficult to solve. Something can be done, however, by encouraging or compelling factories which lend themselves least well to mass production to provide a considerable amount of training. A system of joint organisation of training by countries which have interests in common may also be useful, either by having the workers of one country sent to another to be given instruction which it is difficult for them to obtain at home, or by lending teachers of the second country to the first.

A third difficulty is that of selecting from among the different reserves of labour the persons who can be most easily trained for each type of employment. The chief criteria for such selection are age, sex, and occupational experience. If the situation makes it advisable to draw heavily on reserves of female labour, it may be necessary to redistribute male workers in order that women may be engaged for the kinds of employment in which their services are most useful. The possibility of engaging foreign workers must also be examined. Only in comparatively few cases is the employment of non-citizen labour contrary to the interests of national defence. All that is necessary is careful selection for employment in specified munitions industries; considerations of national defence are no obstacle to the engagement of foreign workers in other branches of economic activity. In fact, the utilisation

of the services of these workers serves to release citizens for employment in the arsenals and factories which are producing directly military goods and equipment.

A last difficulty arising out of the large-scale organisation of vocational training for semi-skilled and specialised workers is that of ensuring that the training will be undertaken soon enough for the trained workers to be available at the time when the increased demand becomes effective. Although the period of training is shorter in this case than for more highly skilled workers, the total number of workers to be trained is so large that training has to be undertaken well in advance; otherwise a bottle-neck might arise just when the programme is reaching the most advanced stage of mass production. If employers are to give and workers are to ask for such training in good time, it is essential above all to convince them of the need for it. Both employers and workers can be convinced of this most easily if their own representatives collaborate in the programme and are thus enabled to realise for themselves the needs for training and to contribute their special knowledge to the preparation and execution of the entire scheme.

In conclusion, whatever the category of workers which must be increased in order that expansion of essential industries may be possible, constant investigation and redistribution of the sources of labour supply must be combined with a continuous and comprehensive adjustment of these sources to demand from the point of view of quality. This entails, first, the extension and sometimes the adaptation of traditional systems of apprenticeship and training; and second, the development of a variety of measures for the retraining of the unemployed or of workers transferred from other occupations or industries, for the up-grading of workers within any particular plant, and for the preparation of persons who have never been gainfully employed. Even in the case of simple operations in mass production which can be entrusted to unskilled and inexperienced workers, it is generally desirable and sometimes indispensable, from the point of view of output, to give these workers a short preliminary course of instruction rather than to leave them to learn for themselves by watching others.

The following notes describe briefly the methods used in various countries to adjust labour supply to the demands of essential industries for suitably trained workers.

Great Britain

Training workers for employment in war industry has been, according to the British Minister of Labour, "the greatest problem that we have had to face . . ."¹ Although what has been done has been built on experience with training methods acquired during the pre-war period, yet the need for training was so great that every method had to be tried and tried quickly. The Minister of Labour summarised the chief characteristic of British training schemes when he said: "I have laid it down that there must be no rigidity; that experimentation, trial and error, and flexibility must be the keynote . . ."² At present, therefore, there is considerable variety in the forms of training in operation.

Before the outbreak of hostilities, training of workers for employment in Great Britain was carried out in three ways. Young workers entering the employment market for the first time were prepared by means of courses of theoretical and practical instruction in vocational schools, or by undergoing a period of apprenticeship, the conditions of which were determined almost wholly by agreement of the organisations of employers and workers in the industry concerned. Adult workers, on the other hand, were trained or retrained for employment in special Government training centres, organised directly by the Ministry of Labour along the lines of factory workshops.

With the outbreak of war, little change was made in the provision of pre-employment vocational education and in apprenticeship. These continued, as usual, to prepare young workers for entering into useful employment. At the same time it was decided to make the Government training centres an integral part of the Government's war machine and to expand intra-plant training into an effective instrument for adapting the country's man-power to the requirements of wartime.

GOVERNMENT TRAINING CENTRES

The Government training centres, which had been organised to meet the needs of men unemployed after the last war, had become closely allied, after 1929, with Government action to transfer men from the depressed areas to other areas with better employment opportunities. Indeed, up until the outbreak of war, the centres remained primarily "agents of the policy of transference" but this was not a limitation of function so much as a necessary response to the urgent needs of the unemployed in the depressed areas and to the general pre-war economic situation.

¹ Industry and the War Effort (Speech to the Works Management Association), 18 Sept. 1940. *Ministry of Labour Gazette*, Oct. 1940, p. 260.

² *Ibid.*, p. 267.

Several principles which have been carried over into training in wartime were formulated from experience during the pre-war years. In the first place, it was found best to use special facilities and methods for training adult workers, men and women, rather than to attempt to use the regular facilities for vocational education and training designed in the first instance to furnish pre-employment training for young people entering the labour market. Moreover, it was found best to lay out training workshops as far as possible exactly along the lines of an ordinary commercial enterprise. Secondly, national organisation (or at least, comprehensive national supervision) had been a success, with close co-operation between the various Government departments interested in training and local authorities. Finally, experience in Great Britain proved the advisability and the necessity of training and re-training workers in the closest possible collaboration with organisations of employers and workers.

From 1937 up to the outbreak of war in September 1939, courses offered in the training centres were being gradually reorganised and revised, owing to the recession in certain trades on the one hand, and on the other, to the increased demand for trained labour in industries affected by the country's rearmament programme. Increasing numbers of places were made available for training in engineering and mechanical trades and decreasing numbers for training in such trades as cabinet-making, metal polishing, etc. The same factors led to modifications in the system of recruitment. After October 1938, men for engineering classes were recruited from all over the country, rather than from scheduled depressed areas. Finally, standards of training were raised in certain instructional centres to fit an increasing number of men for semi-skilled employments.

At the beginning of 1939, over 6,300 men were in training in 16 Government training centres and the total number of places available was over 8,700; Government instructional centres (which gave less technical and simpler courses, emphasising general rehabilitation) accommodated about 4,500 trainees; local training centres (non-resident) were equipped to give simple instruction in work habits, etc., to some 2,500 workers in the course of a year. The actual training provided in these centres ranged from the most simple reorientation of unemployed men to normal work habits and discipline to highly complex work in engineering and the metal trades.

Soon after war began, it was decided to give the Government training centres an important part in the training of workers for war employment. However, as a result of widespread employment dislocations and contradictory anticipations of the conditions of the employment market in the months following the outbreak of war the Ministry of Labour was slow to increase the number of workers being trained in Gov-

ernment centres. Nevertheless, the Ministry announced that it intended to depend heavily on these centres to produce additional skilled and semi-skilled workers for its war industries, particularly for the engineering trades. Many of the instructional and local centres were closed down on the grounds that the training provided through them was not appropriate to war labour requirements.

In early December 1939, the Minister of Labour (then Mr. Brown) announced that there were 6,000 trainees in the Government centres, but that plans were being made to expand the training programme. In February 1940, with growing shortages of skilled and some semi-skilled workers, places were said to be available for over 8,000 trainees, but the centres were not filled to capacity.¹ At about that time, the Government started an industrial training campaign, announcing that the number of centres would be increased and their capacity expanded to provide accommodation for about 15,000 trainees, so that some 70,000 workers could be turned out in a year. By May 1940 although there had been some progress towards this objective, training centres were still much more on a pre-war level than a war level, given the prevalent shortage of many categories of skilled and specialised workers.²

In August 1940, however, the Minister of Labour and National Service (Mr. Bevin) stated that the number of centres had been increased to 19 and that their capacity had been greatly expanded. His goal, he added, was 40 centres which would turn out over 200,000 trained men a year. Whether this goal could be reached depended on the availability of "instructors, managerial staff, and what is more important, machine tools and other equipment. I regard this as so vital (he said) that I have asked that the training centres should be placed in the highest category of priority in order to get them equipped. But this claim has to be balanced against the claims of immediate production."³ Every official statement made since August has suggested effective progress in greatly increasing the number of men under training in the centres and in improving methods of training.

In order to bring large numbers of men into the training courses as rapidly as possible, modifications were made in the conditions of eligibility for training. Now, all suitable men of

¹ *The Times*, 20 Feb. 1940; *Manchester Guardian*, 22 Feb. 1940.

² Another difficulty with the centres was that, designed as they had been to aid transference from the depressed areas, most of them were in the South and Midlands, far from the homes of many applicants and from much of the future war employment. As a result, many men available for training refused to leave home and possible job opportunities there to attend a centre. (*Manchester Guardian*, 22 Feb. 1940.)

³ Statement in the House of Commons, 8 Aug. 1940. *Ministry of Labour Gazette*, Aug. 1940, pp. 211-212.

16 years of age and over who have not registered under the Armed Forces Act are admitted for training in all trades¹, as well as men under 25 who have been placed in Grade IV by the medical board. Men registered for military service are normally admitted for training only if classified in Grade III or IV by the medical board. Men reserved from military service by the Schedule of Reserved Occupations may be admitted for training only if they have been unemployed for two months or more or if it is unlikely that they will be useful to the nation in the future in their own trade.² Even more important than these modifications regarding age limits and military-medical category, however, is the fact that the centres, previously open only to selected unemployed workers, have been thrown open, in addition, to all men in occupations classified as unessential to the war effort. In October 1940, nearly half of the men in the centres came from non-essential employment.³ Towards the end of the year, women were admitted into the centres for training for war work.

Training is given in trades in which there is an unmistakable demand for workers, at present chiefly in various engineering trades: draughtsmanship, fitting, instrument making, machine operating, panel beating and sheet metal working, electric and oxy-acetylene welding. The training is given in industrial workshops under conditions approximating closely to those prevailing in a modern industrial undertaking. Hours are normally 44 a week and the trainees clock in and out. Practical instruction, reinforced with theoretical courses, is given by skilled tradesmen, themselves practical workers in the field.⁴ The wartime training is highly intensive. After completing a course offered by one of the centres, a man has considerable skill and usually enters industry as a semi-skilled engineer at an improver's rate of pay. After his training has been completed by work on actual production, he can usually work his way into rather highly skilled jobs.

¹ Except machine operating, in which only men aged 25 or over may be accepted.

² After completing training, a man is reclassified under the Schedule so that he is either reserved for industry or called for service only in his trade capacity. Men in training courses are regarded as employed in the occupation for which they are training.

³ The Minister of Labour stated in October 1940 that in one centre the trainees had come from over 30 different occupations (other crafts, artists, barristers, pawnbrokers, shop assistants). Men engaged in unskilled war work may in some cases be admitted to the training centres.

⁴ In the statement of 8 August, the Minister of Labour said: "In the obtaining of instructors, I desire to pay my tribute to the Amalgamated Engineering Union, and I have also secured a promise of help from the Engineering Employers' Federation. Every employer should earnestly consider whether he cannot release one or two suitable men to become instructors in the training centres. . . I am also in need of persons of managerial capacity, who must be men with good technical qualifications and a substantial period of industrial experience." (*Ministry of Labour Gazette*, Aug. 1940, p. 212.)

There are wide differences among individuals in the length of time taken to complete the standardised training courses provided at the centres. Before the war, the average duration of training was six months, with a nine months' course for draughtsmanship. Now, the length of the course is normally from three to five months, varying with the individual and his future employment. The techniques developed for rapid, high-speed training have been very successful. The average length of the course required for each occupation has been reduced largely by confining the training to what are considered absolute essentials for wartime needs. Trainees who have had short courses, however, are generally placed with employers who are preparing to continue training in their establishments, a precaution which also makes it possible to direct the workers' training to meet more precisely the demands of the particular jobs on which they are to be employed.¹

Almost every effort is devoted, at present, to making available large numbers of places for training in engineering trades; classes in other occupations have been closed down. However, some centres—particularly those with little or no elaborate equipment—have been used to train (in about three months) workers for less skilled industrial work. Men have been trained, for example, in particular processes for particular factories in the district which were engaged in war work.² Other centres have been used to train army tradesmen.

The training centres, organised directly by the Ministry of Labour, operate in close co-operation with the employment exchange machinery and with organisations of employers and workers. The employment exchanges are responsible for the recruitment and selection of trainees, and their subsequent placement in appropriate employment is arranged by a special staff of the employment exchanges or through the ordinary placement machinery, in co-operation with representatives of employers and workers.³

One difficulty which has persisted, apparently, is that of finding a sufficient number of candidates for training to fill the centres completely. In the summer of 1940, changes were made in the system of allowances paid to persons undergoing training, as the low rates then in force were not conducive to

¹ Some employers prefer to take men or women from the centres before their training has been completed to accustom them to the requirements of the particular job which they will be expected to fill. Other employers prefer to wait until a trainee has finished his entire course. The employers' decisions depend largely upon the needs and capacities of their own factories.

² *Manchester Guardian*, 22 Feb. 1940. Several of the pre-war instructional and local centres were used in this way although (as was mentioned) most of them were closed down after the war began.

³ In view of the great demand for trained men, arrangements have been made in accordance with which the available number of trained men will, if necessary, be apportioned among employers with special reference to the national importance of the work upon which the latter are engaged.

the voluntary enlistment of a sufficient number of trainees.¹ At the beginning of January 1941, however, despite a more widely recognised need for large numbers of additional trained workers, the centres were still not filled to capacity with trainees. The *Economist* (London) suggested that the pay and allowances granted to men and women undergoing training were contrived "to make training, though essential for the war effort, clearly less remunerative than work, however non-essential". It added that both the terms of entry and the conditions of training were a deterrent and not an inducement to enter the centres and "since no secure employment is promised at the end, it is scarcely surprising that the workers regard the centres as only a last resort, while those engaged on non-essential work never think of them at all."²

Largely in order to eliminate these drawbacks to effective utilisation of the training centres, the Government changed the principle and the rate of payment to trainees in March 1941. "It is desired", the Ministry stated, "that the payments made to men and women taking training under the Government Training Scheme should be broadly equivalent to what they would have received had they gone directly into productive industry." Thus, as from the end of March, several changes have been made in the basis of payment. First, trainees of 19 years of age and over are now regarded as being under a contract of service and are paid a weekly wage broadly equivalent to that received by new entrants into the engineering industry. They are liable to health and unemployment insurance contributions and eligible for lodging allowances exactly on the same basis as ordinary workers. Second, in the case of Government centres, three tests are to be held at monthly intervals (normally), and, on passing each test, a trainee receives wages increases corresponding to advances received by a new entrant into industry over a similar period.³ Finally, the allowances paid to boys and girls between 16 and 19 years of age have been increased except in the case of persons in Auxiliary Training Establishments.⁴

¹ Men not eligible for unemployment benefit were no longer required to undergo a means test and to apply for unemployment relief, but were granted a training allowance at a higher rate than that previously accorded them; and men in receipt of assistance were granted supplementary amounts as required to bring their incomes up to the regular training allowance. The rates of allowance varied according to the age of the man, the number of his dependants and whether he was able to live at home while in training or had to live in lodgings in the neighbourhood of the centre. (*Ministry of Labour Gazette*, June 1940, p. 158.)

² *The Economist*, 25 Jan. 1941, p. 100.

³ MINISTRY OF LABOUR AND NATIONAL SERVICE: Release of 17 March 1941. This second provision applies only to training centres because the duration of other forms of training is considerably shorter.

⁴ MINISTRY OF LABOUR AND NATIONAL SERVICE: Release of 25 March 1941. The system of dependants' allowances will cease, but the young people will receive three increments during training, after passing proficiency tests.

Another difficulty with the centres was said to be that the training provided by them continued to be based too largely on methods developed during peace-time and too little adjustment was made to meet the urgency of wartime demand. "In recent months, however," the Select Committee on National Expenditure noted, "Government . . . Centres have at last realised that there is no time for the elaborate systems of training which they at first conducted, and they are now modifying their courses, giving much simpler instruction and so turning out larger numbers of trainees."¹

On the whole, the training centres have undoubtedly played an important and useful role in training for war work. Late in 1940, the Minister of Labour and National Service had an investigation made of the operation of the centres. On receiving the report, he declared: "having regard to the types of workpeople we have had to train, I am more than gratified by the report which is evidence of the success that has been achieved".²

TRAINING COURSES AT TECHNICAL COLLEGES

In addition to training through Government centres, the Minister of Labour and National Service has organised, with the help of the Board of Education and local authorities, a scheme designed to utilise every available place in every Technical College and school in the country for training workers, by means of short highly intensive courses of instruction, to perform semi-skilled jobs. These colleges and schools are expected to turn out at least 50,000 trained men and women in a year. The training involves both the instruction of persons with no previous knowledge of engineering work or munitions manufacturing and also the provision of up-grading courses for workers with some skill. The particular courses taught are determined "in the light of the relative urgency and importance of the needs of industry at any given time, and of the facilities available at particular Training Colleges."³ In return for the training provided, the Ministry pays the Colleges a specified rate per trainee per hour.

A Manual for the guidance of Technical Colleges was prepared by the Ministry of Labour and National Service and given to Local Education Authorities and to other Governing Bodies of the Colleges in August 1940. "It is appreciated", the Manual points out, "that Technical Colleges have worked out their own methods of instruction and that they will be fully

¹ SELECT COMMITTEE ON NATIONAL EXPENDITURE: *Third Report*, 1940-1941 Session. There have been, of course, differences of opinion about the type of training which should be given by the centres.

² *Ministry of Labour Gazette*, Oct. 1940, p. 260.

³ *Ibid.*, Sept. 1940, p. 240.

capable of adapting them to pupils of a kind to which they are not normally accustomed." The purpose of the Manual is merely to make available conclusions from the Ministry's own experience in industrial training.

With reference to the training of unskilled workers, the Technical Colleges are supplied with a range of standard courses prepared by the Ministry. These courses are intended merely for general guidance; it is pointed out that "they can be given a bias, where appropriate, towards meeting the needs of some particular firm or group of firms whose requirements are of special importance". Standard tests, for studying the progress of trainees, are also provided by the Ministry. Double and treble shifting is introduced after single courses are in full swing. The Manual contains notes on the organisation of shifts and some suggestions, based on the Ministry's experience with training, on points which should be covered in the actual instruction and on methods of achieving the most effective results.¹

By the end of 1940, some 150 Technical Colleges were providing training courses lasting for about 8 weeks, with 40 to 48 hours' instruction per week.² Men and boys of 16 years of age or over, and women of 18 or over are eligible for training so long as they are "adaptable, able to learn, and capable of keeping a job under the stress of wartime conditions". Some of the Colleges have organised special classes for women workers; other such courses for women will be introduced as the need arises. A few of the Technical Colleges are producing munitions components in small lots in connection with training workers, and, the Manual states, "a reasonable amount of such work if carefully chosen can be of the utmost value in training and will enable economy to be effected in the use of materials. Care should, however, be taken to ensure that productive work is strictly subordinated to the training and does not involve any undue narrowing of its scope." Persons undergoing training receive a fixed weekly wage and travelling allowances. After training, employment on munitions work, at standard rates and conditions, is found by the Ministry of Labour. It is pointed out that opportunities for training and for subsequent employment vary from one area to another and that, although every effort is made to provide training and employment in accordance with individual wishes, "trainees, like all other munitions workers, must be ready to go to any part of the country where their services are most required."³

¹ Particular emphasis is laid on enlisting the voluntary interest of the trainees and on the need to stress safety-first instruction throughout the course.

² The length of the course varies, of course, with the individual and the type of instruction given.

³ MINISTRY OF LABOUR AND NATIONAL SERVICE: *Manual for Technical Colleges providing training for the Ministry of Labour and National Service*, Aug. 1940.

Administratively, there is no disturbance of the control by Local Education Authorities over Technical Colleges maintained by them, except that the Ministry of Labour and National Service has certain responsibilities in relation to the scheme. In consultation with school-inspectors, it initiates the provision of courses and arranges for syllabuses, tests, and drawings. Through the Labour Supply Officers and the training section of the divisional office of the Ministry, it correlates the supply of and demand for labour of various kinds with divisional training facilities. Through the Inspectors of Labour Supply and the employment exchanges, it helps with recruitment and maintains contacts with the technical schools, and, on completion of training, arranges for the placement of the workers.

It is too soon to estimate the success of the training provided in this way. At any rate, the scheme has effectively harnessed the available facilities of Technical Colleges throughout the country to the Government's efforts to produce the many thousands of munitions workers required at present.¹

INTRA-PLANT TRAINING AND UP-GRADING

The expansion of training in Government centres and the full utilisation of the facilities of Technical Colleges for training munitions workers are emergency measures. Their object is to meet the special job requirements which cannot easily be met at present by training on the job. They are designed to supplement and in no measure to replace training on the job. The greatest facilities for training are at any time in the actual workshops of employers. Ever since the war began, therefore, the Minister of Labour has been urging employers to initiate all kinds of intra-plant training and up-grading programmes and to expand programmes which had already been undertaken.

In Great Britain as in other countries, however, employers were slow to realise the growing scarcity of various classes of trained workers. The Minister of Labour complained as late as August 1940 that employers were "to some extent living in a fool's paradise in the matter of skilled labour."² A little later, he admitted that managers were puzzled as to labour requirements and future Government demands upon them.³ In

¹ The Technical Colleges also co-operate in providing supplementary training and instruction to new workers being trained within the plant.

² Statement in the House of Commons, 8 Aug. 1940. *Ministry of Labour Gazette*, Aug. 1940, p. 211.

³ "They did not know what was really required of them and accordingly were inclined to measure their labour requirements by the manufacturing orders that were issued to them at a particular moment from the Supply Departments. They were not in a position to know or to make any estimate of the anticipated demands of the Government . . ." (Speech of the Minister of Labour, reprinted in *Ministry of Labour Gazette*, Oct. 1940, p. 260.)

the absence of adequate information and organisation, they were naturally reluctant to embark upon extensive training programmes. Employers whose whole equipment and labour force were entirely engaged in the execution of war contracts were not eager to interrupt or slow down production by inaugurating or expanding a training programme for workers whom they did not need at that particular moment. On the other hand, employers who were not wholly occupied with urgent war work had no need of additional workers and were not interested in training them only to have them snatched away, after they had been trained, by employers with large contracts. Moreover, the workers in such establishments were not content at having an influx of new workers to be trained who might eventually displace them or lower their wages and standards of work. The Government, therefore, with the help of employers' organisations and in co-operation with trade unions, took various steps to encourage employers to make provision for the extensive training of (a) highly skilled workers, (b) persons who could be trained into effective production units with a little training, and (c) inexperienced or unskilled women. All this training is dependent upon a continuous process of up-grading of the labour force of each establishment so as to make possible the systematic absorption of less skilled and inexperienced workers.

Intra-plant training schemes introduced by employers vary widely. Where employers are training to meet their own labour requirements alone, it is the practice for them to meet the cost of that training themselves, and to organise it quite independently of any Government department. Where employers train workers additional to those they estimate will be needed in their own plants, they receive Government financial assistance and the training schemes have certain features in common.

The following arrangements govern any agreement of the Ministry which applies where employers, in addition to undertaking the maximum amount of training required to meet their own needs, are willing to train additional workers on behalf of the Ministry of Labour and National Service. Every arrangement for training is the subject of a specific agreement and includes the following conditions, which were drawn up by the Ministry in consultation with representatives of employers and workers :

- (1) The number of trainees, type of training, and the duration of the course are prescribed.
- (2) Recruits are found by the Ministry and allocated to the employer by an employment exchange.
- (3) The trainees, who receive wage payments from the Ministry, are not employed by the employer and are not en-

titled to any wages from him. It is proposed that trainees should wear badges to distinguish them from persons employed by the employer.

(4) The training is subject to inspection by experts of the Ministry.

(5) The men and women trained are placed, after training, through an employment exchange; in no case are they placed with the employer who has provided the training.¹

(6) The employer provides machinery, accommodation, equipment and instructors.²

(7) If these conditions are fulfilled, the Ministry repays the employer specified expenses incurred in providing this training.

A Manual of the Ministry, regarding training for wartime work by employers in the engineering industry, records several conclusions gleaned from experience already acquired with intra-plant training. In the first place, new unskilled workers, to be employed on single process or repetitive work, can be trained in a very short period—from a few hours to a few weeks—on the actual machines on which the workers will be engaged.³ Most women, for example, will be employed on such work and can be trained in this way; for them, the group system of training within an establishment is recommended, with instructors drawn from existing foremen or their assistants.⁴

As regards the training of skilled workers to make them more highly skilled, this must be done as a rule in the workshop itself. "One of the grave problems confronting industry is the lack of skilled tool room craftsmen", the Manual notes. "An immediate solution can be found by ensuring that experienced tool room craftsmen are in fact employed on tool room

¹ An alternative plan is under consideration, according to which the employer could engage any trainees he wished after their training and would be paid by the Ministry only in respect of those whom he did not himself engage.

² "The Ministry realise that . . . training will usually be associated very intimately with the productive work of the employer and that machines and equipment engaged on production work will frequently be used, but it is expected that employers will make suitable arrangements to ensure that adequate instruction is given." (*Manual on Training for War Time Work in the Engineering Industry, Training by Employment, Supplement No. 1, Nov. 1940.*)

³ "It is impossible to reproduce in training institutions the immense variety of machines and conditions required in productive work", the Manual states. Therefore, all such training must be organised in the production shops of employers.

⁴ The training of women for supervisory posts can be done in the plant, and, in some cases, with the co-operation of Local Education Authorities. The Ministry of Labour has urged employers to realise that women will have to be employed in war production not only on repetition processes but also at higher levels of skill.

work commensurate with their ability, and by 'training-up' suitable skilled workers now on the floor of production departments by putting them in the tool room, and allocating as an instructor of a small group one of the tool room charge-hands." In many cases this training can be furthered by theoretical instruction in local Technical Colleges or schools. This same type of plant training, combined with supplementary instruction in technical institutions, is recommended for up-grading workers to fill supervisory or minor executive posts. As a matter of fact, there has been a considerable shortage of managerial staff, particularly charge hands and works managers, and there have been few or no facilities for training them. "I am now considering the possibility", the Minister of Labour stated recently, "of creating a scheme by means of which I can give a month or six weeks' intensive course for those desirous of being charge hands and of taking other positions on the managerial side, and I hope I shall get a good response from industry. By releasing men for this course they will undoubtedly repay themselves a hundredfold afterwards."¹

The great majority of semi-skilled workers must likewise be trained on the floor of the shop. Up-grading is a speedy and effective way of increasing the number of available workers at successive levels of skill, the Manual suggests. "Not only can skilled workers now in production departments be made into tool room workers, but their places can be taken by less skilled workers and so on, until at the lower levels new workers without previous experience are taken in to fill the resulting vacancies." Separate workshops, especially in the larger factories, have also proved successful in the up-grading process. The essential thing, however, according to the Manual, "is that the training should be effectively given rather than that a particular method should be adopted". It is suggested that the methods developed by Government centres can be used, with suitable modifications, by employers who are initiating training and up-grading to prepare additional semi-skilled workers.²

In August 1940, the Minister stated: "There is no excuse for delay. Employers have already been informed that the additional cost of training will be met by the Government. Training is much more effective, both for the works and for those being trained, if it is carried out voluntarily and with good will. I am therefore reluctant to make training obligatory on all employers, but conditions may arise when this would have to be done. Employers should not wait for orders

¹ Statement in the House of Commons, 2 Apr. 1941.

² MINISTRY OF LABOUR AND NATIONAL SERVICE: *Manual on Training for War Time Work in the Engineering Industry* (1940).

and regulations, but should co-operate immediately in the solution of this problem."¹ In November of the same year, he made a further appeal that employers "come forward in large numbers to help the country's training effort"², and in January 1941 he reiterated this appeal.

Most employers and trade unions have, in fact, helped in many ways to expand arrangements for training. The Amalgamated Engineering Union, the Confederation of Ship-building and Engineering Unions, and the Engineering Employers' Federation have all played an important part both in working out the schemes and in promoting their application. Delay has been incurred, however, in getting the programme accepted and actually put into effect by individual employers, especially by the smaller employers.

Although the greatest efforts have been focussed on expanding intra-plant training in the engineering trades because needs were most acute in those trades, the work has gone on as well "in a variety of other industries too numerous to mention", according to the Minister of Labour.³

In addition, the Ministry of Labour and National Service has developed a plan under which garages, and engineering workshops not fully engaged on work of national importance, are used for providing short courses of training, mainly to teach workers to perform single process or repetitive operations in munitions factories. In general most of this short training must be done by employers in their own production factories, but workshops and equipment not wholly occupied with war work have been used to train workers in machine minding, assembly work, and fitting, owing to acute shortage of workers with these skills. The Ministry pays to employers who possess suitable plant and premises for these types of training, a fee per person trained, which includes the cost of materials supplied by the employer. Women as well as men are trained under this scheme. Persons in training are recruited by the Ministry, receive the usual training wages, and are tested and placed afterwards by the Ministry with establishments engaged wholly on war production. The workshops are required to use the curriculum prescribed and to give the standard tests supplied by the Ministry. Employers working fully on war production are not expected to undertake this type of training, because any employer who agrees to this scheme is expected to devote his full energies, instructors, and equipment

¹ Statement in the House of Commons, reprinted in the *Ministry of Labour Gazette*, Aug. 1940, p. 211.

² Foreword of the Minister of Labour, Supplement No. 1 to the *Manual on Training for War Time Work in the Engineering Industry* (Nov. 1940).

³ *Ministry of Labour Gazette*, Oct. 1940, p. 261.

to the training of workers, production, if any, being entirely subordinate to training. The scheme differs from other arrangements of the Ministry with employers largely in respect of the character of the training provided. It is an attempt to mobilise the resources of plants which are not directly engaged on full-time war contract work for the purpose of helping, as auxiliary training establishments, to produce additional munitions workers.¹

Thus, intra-plant training and up-grading in Great Britain have become an important source for the development of additional supervisory, skilled, semi-skilled, and specialised workers. Although the variety of forms of training is very great, considerable co-ordination has been introduced by the Ministry of Labour and National Service, acting in complete agreement with representatives of employers and workers in the trades concerned. The Ministry, because of its long and direct experience with the organisation of industrial training in Government centres, has been of great practical use to employers who have begun or are embarking upon intra-plant training and up-grading programmes. However, it must be remembered that the schemes noted here are only one part of the many kinds of plant training now going on throughout Great Britain. These arrangements are designed primarily to supplement the ordinary schemes of training which employers themselves are operating to meet their own requirements for skilled, semi-skilled, and specialised workers.

The demand for skilled and semi-skilled workers is likely, however, to exceed considerably the supply of such workers for some time to come. Employers are being constantly urged to increase the amount of training being given within their plants. The Third Report of the Select Committee on National Expenditure (1940-1941 Session), presented to the House of Commons in December 1940, states:

Undoubtedly . . . the best and most practical way of training unskilled labour is in the factories and workshops themselves. Some firms already do this on a large scale, but employers have in the past shown a good deal of apathy. The training of unskilled labour in this way means probably a slight fall in output in the factories where it is taking place, but in order to safeguard future production it is vitally necessary to face this fact.²

For its part, the Ministry of Labour and National Service is continuously surveying the field for further expansion of

¹ The Essential Work Order, 1941, contains a provision designed to encourage the development of intra-plant training as required. Section 3 states that before admitting any firm to the Schedule of Undertakings, thereby entitling it to protection against voluntary leavings and enticement, the Minister of Labour must satisfy himself that provision exists or is being made for the training of workers within the establishment, if this, in his opinion, is advisable.

² SELECT COMMITTEE ON NATIONAL EXPENDITURE: *Third Report, 1940-1941 Session* (London, 1941).

training facilities, organised either under private or institutional auspices with Government supervision and financial assistance.

France

In contrast to the development of industrial training in Great Britain, France had had no long experience with the provision of training for adult workers in special centres. Concern regarding the vocational qualifications of unemployed adult workers arose first in connection with the simultaneous expansion and decentralisation of national defence industries in 1935 and thereafter. This scheme brought to the fore an acute shortage of certain kinds of skilled labour, particularly in the metal trades. The execution of contracts for the Navy was being delayed by the scarcity of skilled and specialised workers. Skilled trades were the only ones open to the unemployed, and in order to obtain employment in such trades, they needed systematic and intensive training. Employers who were affected by the shortage of skilled labour took the initiative in providing, expanding, and paying for intra-plant training and apprenticeship, but, at the same time, they demanded that the Government should begin to take a larger part in the organisation, and particularly in the financing, of industrial training. Thus it was that from 1936 onwards the Government became an active participant in the training and retraining of adult unemployed workers. Starting with financial subsidisation of training schemes, the Government gradually became the agency for co-ordinating and stimulating the development of industrial training throughout the country.

The Government agreed to subsidise any additional expenditure incurred through the provision of training, organised either by manufacturers in their own establishments, or by public authorities, or by employers' and workers' organisations (separately or acting together), or by private associations for vocational training and retraining. By September 1939, about 12 training centres were in existence. The great majority of them had been organised by employers in workshops attached to their own establishments.¹ One result of the fact that almost all this training was linked directly with employers, however, was that many workers distrusted the scheme, suspecting the employers of attempting to exploit them and to draw them away from trade union contacts. Partly for this reason, therefore, the metal workers' trade union in

¹ The Government considered it preferable to organise training in this way because it was less slow and cumbersome than setting in motion special Government centres and schools. Moreover, the fact that it was done by employers constituted a useful defence against possible criticisms that workers had been badly or inefficiently trained.

the Paris region organised a training centre of its own in 1937, an experiment which proved to be a great success from the point of view of rapid and efficient training.¹ Another centre was jointly managed by employers and workers in the metal trades, and this, too, was a successful experiment. Another was organised by a municipality and still another by a private vocational retraining organisation. Owing to a widely recognised shortage of trained workers in industries producing national defence requirements, particularly in the mechanical engineering and metal-working trades, the training programme in all the centres was largely confined to instructing additional workers in these various defence trades.

A new problem came into prominence in 1938. Analyses made by the Ministry of Labour at the request of the National Economic Council showed that, among the unemployed population of the country, very few workers were capable of being retrained into effective skilled or highly specialised workers. This fact indicated the need for encouraging the introduction and expansion of up-grading programmes designed to raise the level of skill in the existing labour force of any factory so as to make possible the absorption of unskilled and inexperienced workers. In 1939, therefore, the Government agreed to subsidise schemes to further the up-grading of workers, organised either within special centres or within factory workshops.

When war broke out, the provision of an adequate labour supply for defence industries was recognised to be one of the major tasks of the Government. In agreement with representatives of employers and workers, and with the other Ministries concerned, the organisation of vocational training for war workers was divided between industrial establishments on the one hand, and the technical schools and special centres supervised by the Ministries of Labour and National Education on the other.

INTRA-PLANT TRAINING AND UP-GRADING

Training within industry (either in State-owned factories or in private plants) was considered particularly useful for the training of unskilled workers in doing simple operations in a plant and for the up-grading of skilled and semi-skilled workers. The role of the State was primarily to stimulate the development of such training, to co-ordinate the training activi-

¹ The trainees had complete confidence in their instructors, who were all workers and trade unionists, and the trainees had a large part in the management of the centre. This centre succeeded in training competent metal workers, on the basis of a 40-hour week, in record time. (R. ZIEGEL, article in *X-Crise*, Jan. 1938.)

ties undertaken by different establishments and to assist them technically (where necessary), financially, and administratively.

Financial Arrangements.

A conference between the Minister of Labour and the Minister of Finance, at the outbreak of war, was a preliminary to action by the former to organise vocational training for workers. A list of the expenses incurred by employers in providing training which could be subsidised by the Government was agreed upon, drawn up, and sent to the officers of the Minister of Finance through the country. These expenses included, for example, the cost of renting workshops, purchase of machine tools and equipment, the remuneration of instructors, the cost of raw materials used (provided that the objects made were not sold), specified allowances and bonuses to trainees, the cost of power and fuel, expenses for social services, and the cost of insurance on staff, pupils and equipment. In no case, however, might the State subsidy cover the usual general expenditure of the undertaking concerned.

Compulsory Apprenticeship.

A Decree of 3 November 1939 inaugurated a system of compulsory apprenticeship in the iron and metal-working industries.¹ The minimum proportion of apprentices to skilled wage-earning and salaried employees was fixed at 9 per cent.² By thus determining the proportion of apprentices being trained, it was possible for each factory to fix its own balance between apprenticeship, up-grading, and the training of women workers to perform specialised operations. The Decree provided that undertakings or groups of undertakings which had set up schemes for up-grading or which included vocational training for women might (during each year of the Decree's application) reduce the number of apprentices employed (a) by the number of workers whose up-grading was provided for under the training programme, and (b) by the number of women whose training was assured by the programme. This might not, however, result in a reduction of the total number of apprentices below two-thirds of the total resulting from the fixed percentage.

¹ *Journal officiel*, 4 Nov. 1939.

² A census of apprentices was to be taken on 1 January of every year, and of skilled wage-earners and salaried employees on 1 July of every year. By a skilled wage-earner was meant any worker in an occupation which required at least two years' apprenticeship and in particular all workers with a competency certificate for their trade.

A later Decree, dated 29 February 1940, included measures both to protect and to encourage apprenticeship.¹ It prevented employers from enticing to their service young men bound to another employer by a contract of apprenticeship and it also provided that any young man with no regular occupation or training might be bound, from the age of 16, to an employer to receive vocational training. It added, however, that compulsory apprenticeship might be imposed only after notification to the family or guardian of the minor and in accordance with rules drawn up by the departmental committee on technical education.

Recruitment and Selection of Trainees.

The recruitment of candidates for training, an important aspect of industrial training at any time and especially so when large numbers of workers wholly new to industrial employment are entering the labour market, was carried out largely by the employment exchange machinery, with the help, in some instances, of special recruiting agents lent by employers or detached from other Government work. The Union of Mining and Metal Industries, in co-operation with the Government, operated a special Selection Centre which was capable of examining 3,000 persons per month. Other smaller centres in the Paris region charged with the selection of trainees brought this total up to 20,000 per month, and additional centres were set up in other industrial areas as annexes to training workshops or centres. Technical joint committees generally examined a worker who was prepared to undergo training, and the worker was then given tests of all kinds, including a medical examination, in the selection centres in order to ascertain his particular aptitudes or qualifications.

Type of Training and its Organisation.

The training provided within industrial establishments was confined almost entirely to the mechanical and metal-working trades. The organisation and operation of the training differed considerably from one shop to another. As a rule, the number of trainees per instructor was very small, theoretical courses supplemented practical instruction, and the trainees were gradually introduced to actual production work. The duration of the courses varied from two months to twelve months, according to the type of instruction provided and its organisation. In the longer courses, however, the trainees were engaged almost wholly on production work during the last months.

¹ *Journal officiel*, 1 March 1940.

Up-Grading Schemes.

A Decree of 6 May 1939¹ restricted any State subsidisation of schemes for the up-grading of workers to undertakings which had already organised a systematic apprenticeship programme, and which would guarantee to organise up-grading programmes entirely separate from actual production workshops. Moreover, the subsidy granted could not exceed 50 per cent. of the wages of the workers being up-graded.

These provisions proved to be far too rigid to encourage up-grading although the latter was recognised to be a necessary complement to the hiring of many additional workers. As a result, another Decree (that of 27 January 1940) included the following modifications:

(1) With the introduction of compulsory apprenticeship, the subsidy was no longer conditioned on the existence of a systematic programme of apprenticeship.

(2) Up-grading could be organised in the workshops and workers being up-graded could continue to participate in actual production work.

(3) The subsidy could be increased to cover the whole of the wages paid to workers during their up-grading period.

In addition to up-grading provided by employers in their establishments, the Chamber of Metal-Working Industries of the Rhône organised a special centre for up-grading, which was also entitled to receive State subsidy. It was designed to train technicians and highly qualified production workers. The up-grading, which was given for a maximum of 20 hours a week, included both practical and theoretical sections. The duration of the course varied considerably among individuals.

VOCATIONAL TRAINING IN SCHOOLS AND SPECIAL CENTRES

The work of the schools and special training centres was adjusted to the training programmes of employers. The general principle was that the schools and centres would furnish training and instruction which employers were less well-equipped to give or could provide less easily in their own plants. Above all, the centres and schools trained turners, fitters, and milling machine tenders, both because the training of these workers could not normally be done in the workshops and linked with production and because the training covered a period of three months or more. Thus, the work of the special centres and the schools was always organised so as to avoid duplication of the training undertaken by employers.

¹ *Journal officiel*, 7, 11, and 14 May 1939.

Retraining Centres.

The work of these centres had been confined, even before the war, to the training of turners, fitters, and millers. With the outbreak of war, no change in orientation or in objective was necessary; all that was necessary was to bring the centres within the framework of the war effort and to discard any vestiges of social rehabilitation which had been carried over from the days when the centres were necessarily adapted to rehabilitating persons who had been unemployed for long periods.

The centres were thrown open not merely to registered unemployed but to all persons without employment who wished to acquire skills useful in munitions factories. The trainees were drawn from among shop assistants, artisans, intellectuals, typists, dressmakers, women who had never before been employed, and a large variety of other persons, most of whom had been affected by the serious employment dislocations caused by the outbreak of war. During the first months of hostilities, however, the number of trainees remained extremely low. In November 1939, 12 centres were in operation with 374 trainees. Efforts were subsequently made to expand training rapidly and, by February 1940, 19 centres were operating and training close to 1,500 workers. New centres were being opened every week, but the total number of workers who could be trained in 1940, even if the necessary equipment could be obtained, was estimated at not over 10,000.

The expenses of the centres were borne wholly by the Ministry of Labour, which also paid living allowances and bonuses to the workers undergoing training.

Vocational and Technical Schools.

These schools, under the supervision of the Ministry of National Education, had as a primary responsibility the maintenance and safeguarding of the training of young people. During the war, pre-employment training followed a normal course, on the whole, although the third year's training was cut slightly to put the young trainees on production work as rapidly as possible.

In the first months of war, the places available in the schools and their equipment and staff were not used to full capacity. It was decided to use this extra capacity to train women and other adult workers by organising rapid training courses generally similar to the training of the re-training centres. This was done in agreement between the Ministries of National Education and Labour, and on the recommendation of a special advisory council. The Ministry of Education estimated that in 1940 about 140 schools would participate in this type of training activity and that

about 7,000 places, of which over one-third were located in Paris, would be made available for training.

Priority in recruitment was granted to young people between the ages of 16 and 17. Opportunity was given them to acquire a certain amount of vocational skill, much inferior to that which could be obtained through systematic apprenticeship, but, all the same, a skill which could be perfected later while they were engaged on essential production work.

Apprenticeship Schools of the Railways.

The National Railway Corporation agreed, at the request of the Ministries of Labour and Education, to organise in its apprenticeship schools training centres for apprentices in national defence trades. Open to young people of 16 and 17 years of age, these centres gave intensive courses, lasting about 10 months, which prepared workers as millers, fitters, or turners. More than 80 of these centres were operating in late February 1940, with about 1,500 workers in training. The Ministry of Education paid the cost of running the centres; and the Ministry of Labour, allowances and bonuses to the trainees.

Courses for Instructors.

In order to meet the shortage of instructors, which in France, as in many countries, constituted a serious obstacle to the expansion of training, special centres for training future instructors of groups of trainees were organised by employers and by the railways, at the request of the Ministry of Labour. In addition, the National School of Arts and Crafts and other vocational schools were used for the training of instructors. The period of training was designed to acquaint the future instructors with the most rapid and effective methods of training for particular occupations. After completing courses offered by the centres or schools, instructors were estimated to be able to train, on the average, over 1,000 trainees in the course of a year.

Although there was, on the whole, little opportunity for vocational training and retraining programmes in France to get into a war stride before May 1940, the lines along which these programmes were developing were generally similar to those followed in other countries. The number of workers actually in training remained relatively small, but an all-out effort had been begun, which was designed to utilise all existing training facilities (intra-plant training and up-grading, special training and retraining centres, and vocational and technical schools) for the purpose of adapting labour supply to demand. At the same time, normal apprenticeship and vocational education, intended for young workers entering the

employment market for the first time, were protected against the inroads of emergency training. Finally, the financial assistance which the Government offered to employers and to institutions of all kinds to undertake training on a wider scale proved from the first to be a necessary and effective method of encouraging them to take on and to train additional workers beyond their normal requirements.

Germany

In connection with the execution of the Four-Year Plan, Germany has, since 1936, gradually developed a programme of vocational training which is both comprehensive and diversified. The Government's aim in the first place was to train skilled workers, since the shortage of these workers was one of the greatest difficulties encountered during the first stage of the Plan. Next, when the programme entered the stage of mass production, all varieties of courses, centres, and institutions were organised in order that the millions of workers transferred from other occupations or newly engaged in national defence industries might be adapted or prepared for their work.

At the outbreak of hostilities, Germany thus had at its disposal a relatively large number of skilled workers and the necessary machinery for dealing with the problems of vocational adjustment, which are linked with problems of the redistribution of labour and the speeding up of economic mobilisation in conjunction with military mobilisation. The principal features of the war vocational training effort have been the intensive utilisation of all existing facilities and the new impulse given to the development of intra-plant training and up-grading, thus making room among the lower skilled employments for labour recruited from other reserves.

APPRENTICESHIP

The industrial expansion which followed the adoption of the Four-Year Plan meant a sudden increase in the demand for skilled workers at the very time when the supply of this class of labour was particularly small. During the period of economic depression from 1929 to 1933, apprenticeship had been much neglected; a large proportion of the young people who reached working age could find no employment of any kind. Even during the first two years of the National-Socialist régime the Government's employment policy aimed at the systematic absorption of the older unemployed into industrial work at the expense of younger workers, who were sent by preference to labour service (at that time a voluntary system) or to agriculture. This system of priority was abolished on 1 December 1936, and almost at the same time the first steps

were taken to expand the training of young workers in skilled employments for national defence industries.

The Commissioner for the Four-Year Plan, in the first Order (of November 1936) for the application of the Plan, stipulated that all private and public undertakings in the iron industry, other metal-working industries, and the building industry, employing ten or more persons, must train a number of apprentices bearing a reasonable ratio to the number of skilled workers employed in the undertaking. The employers had to inform the employment offices of the composition of their staffs and the number of apprentices they proposed to engage; the employment offices were instructed to select and place suitable candidates for the occupations in question in so far as this had not already been done. No definite percentage was laid down in the Order. The President of the National Institution for Employment Exchanges and Unemployment Insurance was given power to determine the number of apprentices that should be engaged in each individual undertaking. Employers who, because of their personal position or because of conditions in the plant, were unable to employ a sufficient number of apprentices, were obliged to pay to the National Institution a compensatory sum fixed by the latter and, as a rule, equivalent to the cost which would have been incurred had they engaged the specified number of apprentices.

These measures immediately led to a great increase of openings for apprenticeship. According to a report of the National Institution covering the period from 1 July 1936 to 30 June 1937, the number of posts in which young persons could be trained increased in one year by 30 per cent., from 395,000 to 514,000 (370,000 for boys and 144,000 for girls), 127,000 of which were open in the iron and other metal trades. By the eve of the war, the number of available posts for apprentices and learners had increased still more. In 1938-1939, the total was 582,600 and could not be filled to capacity as the number of boys leaving school was only 523,000 (442,000 if only primary schools are counted).¹ It was the task of the employment offices, therefore, to distribute the candidates among the vacant posts by applying the system of permits and giving priority to the occupations or undertakings of greatest national importance.

Owing to the length of the course of training required, the expansion of apprenticeship which was begun in 1936 could produce results only in the long run. The traditional period of apprenticeship in Germany was four years, three and a half years, or three years, according to the occupation concerned.

¹ At Easter 1938 those born in 1924 began to enter employment. In 1924 the number of births per 1,000 inhabitants for the whole of Germany was 20.5, as compared with 26.9 in 1913.

In order to meet the urgent demand for trained labour, a Decree was issued on 22 October 1938 prohibiting the conclusion of new apprenticeship contracts for a term of more than three years and inviting employers in industry and handicrafts to shorten existing apprenticeships to three years wherever possible.

For the same purpose of meeting the requirements of production more rapidly, a system of learnership, lasting less long than ordinary apprenticeship, was developed for the training of "specialised workers" (*Spezialarbeiter*), who differ on the one hand from skilled workers (*Gelernte Arbeiter*), whose training is longer, and on the other from ordinary semi-skilled workers, since the training of learners is governed by definite standards. The period of learnership is from one year to one year and a half. The training is given in virtue of a special contract, similar to the apprenticeship contract, which is binding on both employer and learner. A list of occupations for which learnership is the regular method of training has been approved by the National Industrial Group (*Reichsgruppe Industrie*). Special effort is made in this training to reconcile the requirements of specialisation with those of occupational mobility.

While the war has by no means reduced the demand for skilled and specialised labour, it has made the training of these workers more difficult. Under pressure of circumstances, employers have been tempted, and have often been asked by the persons concerned, to terminate existing apprenticeships by the premature issue of certificates. In addition, a large number of apprenticeships have been interrupted by evacuation, the transfer of factories, or the total or partial closure of undertakings. In order to protect the programme of long-run vocational training, which the Government considered indispensable for the future of the country, the Minister of Economic Affairs issued a Decree on 4 October 1939, making compulsory a series of instructions adopted by the Economic Chamber.

The Chamber declared that the training of skilled workers continued to be essential. In this connection, special attention was drawn to occupations which were of importance from a political point of view. The war, it added, should not lead to any decline in the number of apprentices and learners. Indeed, many undertakings should be able to engage a larger number of apprentices and learners. Such engagements, however, should be made only if justified by the training that was to be given. If changes within any undertaking made impossible the training previously furnished, steps should be taken immediately to place the young workers in other undertakings of a similar character. The same applied if an undertaking was compelled to close down or if a young worker was

moved to another place.¹ The Chamber also recalled that the apprenticeship must always be concluded by a final examination. An examination before the conclusion of the normal period of apprenticeship could be allowed only in exceptional cases. If the young workers were called up for military or labour service, the normal period of apprenticeship might be reduced by not more than half a year, provided that the training could reasonably be considered to have attained its object.²

However, in order to take into account the urgent needs of industry, and in particular to make it possible to substitute specialised workers for the many young workers called for military service, the learnership system has, since the outbreak of hostilities, been given greater prominence in the programme of vocational training, at the expense of regular apprenticeship, and the advantages of the system have been dinned into the ears of young workers by the nation's press. As regards apprenticeship, its duration has remained limited, as a rule, to three years. The Minister of Economic Affairs has authorised the extension of apprenticeship up to three and a half years for only 29 skilled occupations out of 217 recognised as skilled. But in November 1939, he announced that no new occupations would be added to the list.

TRAINING CENTRES AND COURSES

In order to meet the demand for skilled workers before the impetus given to apprenticeship could be expected to yield results, a careful process of selection was applied as soon as the Four-Year Plan was put into operation. This was designed to discover which of the unemployed could fill the vacant posts if they were given vocational training or retraining.

The measures of education were extremely varied. Efforts were made to provide training within an undertaking wherever possible. When a person who was in receipt of unemployment benefit accepted employment in a post in which he could not earn the full normal wage until he had acquired the necessary skill, but in which there was a prospect of permanent employment, the National Institution paid him a learner's allowance, in addition to his earnings, for a period not exceeding eight weeks.³ Another method of training in the workshop or on production machines, but without actual employment, was used, mainly in the metal industries. In this case

¹ Instructions issued by the Minister of National Education in April 1940 similarly urged the vocational schools to step in in cases where apprenticeship was interrupted, in order to help young persons to complete their training if another undertaking could not be designated for the purpose. (*Frankfurter Zeitung*, 4 Apr. 1940.)

² *Frankfurter Zeitung*, 21 Oct. 1939.

³ Section 136 of the Employment Exchanges and Unemployment Insurance Act, Consolidation 1929 (I.L.O. *Legislative Series*, 1929, Ger. 5B).

the worker had no proper contract of employment and he received no wages, but continued to draw his unemployment benefit. The employer had to decide within six weeks whether he was prepared to retain the unemployed worker for not less than five months for further training and employment; if so, the worker continued to draw benefit for a period of not more than eight weeks.

It was not always considered possible or desirable for the worker to be trained in the plant, however. This was the case, for instance, when all that was required was to regain a degree of skill which a worker had gradually lost during unemployment, or when some additional theoretical knowledge had to be obtained before taking up employment, or when a worker had to be transferred to another district where employment was available. In these cases special arrangements were made for training, either in ordinary courses or in special residential centres. Between April 1933 and April 1937, more than a million unemployed skilled, semi-skilled, or unskilled workers received instruction through these courses, attendance at which was compulsory for certain groups of persons drawing unemployment benefit.

With the gradual absorption of unemployment in 1937 and 1938, the facilities which had been provided in the first place for the retraining of the unemployed have been utilised and developed in order to adapt the following groups of workers to the many kinds of employment which became available in essential industries: (a) workers already employed in these industries who seemed capable of being up-graded to higher skilled employment; (b) workers transferred from other industries or occupations; (c) persons recruited for industrial work for the first time. A great variety of training methods and institutions are used, but all are closely adjusted to the requirements of the industries and the occupational experience of the workers. There are correspondence courses, intended, among other things, to enable engineers to improve their knowledge¹; supplementary courses by which workers already in employment can improve their technical knowledge; and courses of retraining or preparation for workers who have been transferred to or recently engaged for an essential industry, to enable them to acquire, as rapidly as possible, the basic knowledge needed for their new work, knowledge which can be extended later through supplementary courses.

All these courses are organised under the direction of the Labour Front, which has entrusted this task to its Office for Vocational Training and Works Leadership. The work is car-

¹ Such courses were followed during the two half-years of 1939 by 10,000 young persons (*Die Innere Front*, 8 Oct. 1939). Correspondence courses have also been introduced for commercial trades since 1 Jan. 1940.

ried on in close collaboration with the employment offices, which supply information on the qualifications required for the vacant posts and select the candidates. Sometimes the courses are organised by employers themselves in accordance with instructions given by the Labour Front; sometimes they are provided in training centres organised directly by the Labour Front. At the beginning of the war, there were 30 workshop training centres attached directly to factories and 230 centres separate from employers' plants. These various centres had already been attended, in 1938, by 3,250,000 workers and were still not operating at full capacity. In March 1941, it was claimed that the number of persons then attending training courses directed by the Labour Front was 3,000,000.¹

Initiation into a new kind of work is as rapid as possible. It usually lasts four weeks. During this period the pupils are given advice by their instructors, known as training leaders, concerning the knowledge and qualifications which they still have to acquire and the supplementary courses that can or should be attended for the purpose. In November 1939, the number of full-time training leaders at the disposal of the centres for this purpose was 22,000. A national school was set up at Brunswick for the training of these instructors, and conferences were held from time to time to enable the instructors and their assistants to exchange views and experiences.²

INTRA-PLANT TRAINING AND UP-GRADING

The vocational training centres and courses organised by the Labour Front are wholly supplementary in character. Their object is to extend and to supplement the training given within the undertakings themselves rather than to replace it. On the contrary, the authorities have constantly stressed the fact that the employers are mainly responsible in the matter and that so far as possible vocational training and retraining should take place on the job.³

At the beginning of the war, measures were taken (*a*) to ensure that the skills of workers employed in essential industries would be utilised to best advantage, and that up-grading would be organised to make room for new workers in less

¹ *Deutsche Bergwerks-Zeitung*, 15 March 1941.

² *Die Innere Front*, 4 and 8 Oct., 18 Nov. 1939.

³ The principle was referred to again in a circular issued by the Minister of Labour on 16 Nov. 1939, which states that vocational training should ordinarily be provided by the undertakings and that recourse should be had to the vocational retraining centres only in cases where the undertaking cannot carry out the retraining itself or in collaboration with other undertakings.

skilled occupations; and (b) to organise intra-plant vocational training for the new workers.

By an Order of the Commissioner for the Four-Year Plan of 28 September 1939 regarding the rational utilisation of labour supply, the Minister of Labour set up boards whose duties include that of ascertaining what contribution each factory has made to the training and up-grading of its workers. The results of the enquiries brought out great differences between plants. Whereas some had devoted much attention to the problem and included among their staff up to 40 per cent. of workers they had trained or retrained, others had made practically no effort at all and had been content to apply to the employment offices for the workers they needed. The powers conferred on the boards by the same Order enabled them to compel the latter class of undertakings to part with experienced workers and to take on and train new workers.¹

CO-ORDINATION OF TRAINING AND RETRAINING MEASURES

For the purpose of directing and co-ordinating the various vocational training and retraining measures adopted in connection with the redistribution and mobilisation of labour, a Committee has been set up at the Ministry of Labour which comprises representatives of the Ministry of Economic Affairs, the Labour Front (Office for Vocational Education and Works Leadership), the National Industrial Group, and the National Institution for Vocational Training in Industry and Commerce. This Committee draws up guiding principles for vocational training and retraining. The regional employment offices and all bodies responsible for such training must comply with its instructions, which are revised from time to time in the light of practical requirements.

To ensure that vocational training, retraining, and upgrading will be carried out uniformly in accordance with instructions, engineers belonging to the Office for Vocational Education and Works Leadership are placed by it at the disposal of the Ministry of Labour, which assigns them to each of its regional employment offices. The duties of these engineers are to select the undertakings, workshops, and vocational training centres in their district which are most suitable for retraining purposes, to inform training leaders and employers of quick training and retraining procedures, and to direct the execution of training measures and ascertain that they are in conformity with the instructions issued and the requirements of the employment market.²

¹ HILDEBRANDT: "Betriebseinhaber-Arbeitseinsatz", in *Reichsarbeitsblatt*, 5 Feb. 1940.

² *Die Innere Front*, 4 Oct. 1939.

As a whole, the measures adopted in Germany for the development of vocational training and retraining may be said to be directed towards two objectives: first, that of rapidly adjusting the labour power of the masses of workers recruited for war industries to immediate production needs; second, that of systematically developing apprenticeship and the vocational up-grading of workers of every degree of skill in accordance with a long-run programme designed steadily to improve the technical standards of German workers and to prepare these workers for serving as the cadre of the organised economy of Greater Germany, a cadre under which an ever-growing number of prisoners of war and foreign workers have been mobilised since the outbreak of hostilities. A distinctive feature of the German defence training scheme is that the country has made practically no use, for emergency purposes, of the vocational and technical schools. These institutions have continued their normal work as a part of the general education programme of the nation, under the control of the Ministry of Education.

BRITISH DOMINIONS

Australia

The rapid growth and development of munitions and other war industries, many of which were new to Australia, brought to the fore, early in the war, an acute shortage of suitably trained workers. The threat of a bottle-neck in this field led to action to modernise and expand technical training facilities.

Before the war, it was customary to import machinery and tools from other countries (Germany, Great Britain, and the United States) in setting up a new industry; and, in many instances, experts and key workers were brought in to set up the new equipment and to instruct Australian workers in its use. With the outbreak of war, Australia was faced with the impossibility of continuing this practice on the one hand, and with the need for the rapid expansion of the engineering and metal-working industries on the other hand. Machine tools and all their adjuncts were henceforward to be made in the Dominion and there was a quick demand for trained workers. Men equipped with the knowledge necessary for designing and using such tools, however, were rare, "so rare (*the Sydney Morning Herald* pointed out) that when the Supply Department was called upon at the outbreak of war to produce a wide range of armaments and munitions not previously manufactured in the Commonwealth, it was forced to borrow many invaluable key men from private industry, leaving a shortage which has not yet been made good."¹ There was particular

¹ *Sydney Morning Herald*, 21 Nov. 1939.

scarcity of fitters, turners, machinists, and tool and pattern-makers.¹

The need for additional trained workers was therefore clear from the start in Australia. Technical officers of the Departments of Defence, Supply, Aviation, and the Treasury estimated in November 1939 that the situation at that time called for the training of 500 tool-makers and at least 2,000 other highly skilled workers. The Government thus undertook, almost immediately after war broke out, a survey of the country's facilities for training and retraining with a view to the introduction of short but intensive and thorough courses for developing basically trained workers for the munitions industries.

It was agreed to use the technical education schools as training centres for this purpose. Their capacity had to be expanded, for at the beginning of the war they were already over-crowded in all parts of the country. Moreover, much of the equipment of the schools was obsolete and inadequate. Two of the first steps therefore were the purchase from abroad of demonstration machinery (with funds set aside by the Commonwealth Government) and the construction of additional buildings.

After these steps had been taken, workers were brought into the schools in larger numbers, to be trained both for the armed forces (particularly for ground work with the Air Force) and for essential industries. In Tasmania, for example, training for turners and machinists has been given under the control of the Technical Branch of the Education Department. The trainees qualifying as munitions workers are paid the basic wage for a 44-hour week, and work day and night shifts in alternate weeks. In Victoria, some 1,000 young people were trained during the first year of war (in co-ordination with the youth employment scheme) and many of them are now employed in munitions factories. In New South Wales, the Chairman of the Employment Council reported that, at the end of 1940, 1,486 men were in training in technical colleges and 1,909 had completed training.²

Apprenticeship has also been expanded throughout the Commonwealth. Expansion has not been over-rapid, however, as trade unions raised objections to any unnecessary increase in apprentice training and to any breaking down of standards attained through systematic apprenticeship. It has been suggested that the Apprenticeship Acts in some of the States should be amended to permit the employment of a

¹ However, the Amalgamated Engineering Union and the Federated Moulders Union claimed that many skilled workers were unemployed—the latter union declaring that 30 per cent. of its membership was jobless.

² *Sydney Morning Herald*, 30 Jan. 1941.

greater proportion of apprentices, particularly in certain establishments.¹

In addition to these methods, the National Security (Employment) Regulations of December 1940 provide that if the production of supplies and munitions is endangered by a shortage of persons skilled in a particular trade, such arrangements as are considered necessary may be made for the training of a sufficient number of persons in that trade or in any branch of that trade. This requirement applies to trades listed in a schedule appended to the Regulations, including electrical fitters and mechanics, instrument-makers, tool-makers, machinists, and fitters and turners.

With the creation of a Federal Department of Labour and National Service in October 1940, plans for technical training are advancing more rapidly.² The central administration of the new Department is at Canberra, and branch administrations have been set up in the States to help to solve problems of technical training. The Government recognises the fact that training is one of the major problems facing it at present. Up to 1941, action had been limited almost entirely to the training of skilled and highly specialised workers.

New Zealand

New Zealand also faced a shortage of skilled workers, particularly in the engineering trades and the clothing industries, soon after the war began; and the shortage became more acute during 1940 with the expansion of munitions industries and enlistments of trained workers in the military forces. Just as in Australia and in Canada, there was a very limited supply of skilled workers in New Zealand, largely because the various industries essential to war had never been much developed and consequently there had never been any back-log of skilled labour adapted to those industries.

At first, additional skilled and semi-skilled workers were trained by stepping up existing apprenticeship and vocational education programmes, which were mainly designed for young people entering the labour market for the first time. This was

¹ Early in the war, the *Sydney Morning Herald* (21 Nov. 1939) pointed out that under the present Apprenticeship Act of New South Wales, only one apprentice could be employed to every three journeymen. Even if this ratio were not changed, it added, substantial improvement could be effected by the application of the ratio to an industry as a whole rather than to each factory, as some factories are equipped to train apprentices and could train a considerable number, while others could train none at all.

² Order in Council No. 218, 28 Oct. 1940.

followed by the planning and execution of special schemes to train urgently required munitions workers. But these have remained on a small scale. In January 1941, according to one critic: "After 16 months of war, it is a sorry commentary on official planning that only 55 men are undergoing specialised training in Wellington, while instructional schemes in Auckland and the other centres are still incomplete".¹

But although practical action may have lagged behind the actual need for training, the Government, with the assistance of the Central Advisory Council, has been devoting careful consideration to the implementation of schemes for training skilled workers both where there is already a shortage in essential industries and where there is likely to be. A Conference, representative of various Government departments and employers and workers concerned, was held late in October 1940 to consider plans; and it has been followed by conferences and discussions with employers, workers, and school authorities in the cities and towns of the Dominion.

Many of the technical schools and colleges started specialised courses in machine-shop work soon after the war began, at the request of the Government. In Wellington, men have been trained as mechanics and welders in the Technical College. Their course runs about four months (more or less according to the progress of each trainee) and is designed to give the men a grounding in the fundamental use of tools. Trainees, ranging in age from 18 to 48, are paid £4 13s. 4d. per week, and are placed after training (and must agree to stay) in engineering works at standard rates prescribed in awards of the Court of Arbitration.² At the end of training, they are classified for employment by a Local Council. In Auckland, the co-operation of technical schools and colleges has been obtained in a generally similar scheme. So far, however, it has been difficult to find accommodation in these institutions without displacing the young people undergoing pre-employment technical instruction.

An important step towards putting into operation extensive emergency training programmes was taken in February 1941 with the publication of the Auxiliary Workers Training Emergency Regulations, 1941.³ These Regulations provide that the Minister of Labour may appoint a Dominion Auxiliary Workers Training Council, representative of employers and workers and the departments concerned, in such numbers as he considers fit and with variations as regards the employers

¹ *The New Zealand Herald* (a newspaper opposed to the Party at present in office), 14 Jan. 1941.

² For men under 21 an equivalent of the scale of wages provided for youths under the awards is paid.

³ Order in Council dated 19 Feb. 1941 (Serial No. 1941/23).

and workers represented according to the particular industries for which training is in progress. The functions of the Council are outlined as follows:

- (1) To formulate and recommend training schemes at technical schools (or at other places approved by the Minister) for the purpose of providing for the intensive training of workers to replace men called for military service and to make possible the efficient organisation of the national economy for war purposes;
- (2) To put into operation any approved training schemes;
- (3) To arrange for the establishment of local councils, and to co-ordinate and control their activities;
- (4) To arrange the placement of workers in industry after their training and to obtain and consider reports on workers so placed.

In order to carry out training schemes, the Regulations provide for the appointment of an Organiser of Emergency Training, who is responsible for performing duties required of him by the Minister or by the Council.¹ In addition, the Dominion Council may establish, in such places and for such industries as is considered necessary, Local Councils, which are to include a representative of employers and of workers, a representative of the Labour Department as chairman, a representative of the State Placement Service, and a staff representative of the local technical school.² If the Dominion Council wishes, it may increase the number of workers' and employers' representatives. Any Local Council which is set up is charged with assisting in drafting and inaugurating any training schemes, in supervising the training, in the placement of trainees after completion of their courses, and in subsequent supervision of trainees so placed.

Finally, the Regulations provide that a worker on completion of his training "shall not be engaged whilst there is a qualified worker in the same class out of employment on the register of the local union, and no qualified worker shall be dismissed merely by reason of the fact that an auxiliary worker has been engaged".

This emergency training scheme is gradually being put into effect. A shortage of suitable instructors, of adequate accommodation, and of tools and equipment, continues to hamper a rapid expansion of training, however. The Government is seeking the co-operation of many kinds of firms and individuals with a view to overcoming these difficulties, and is surveying

¹ The Council may delegate to him such powers as it may think fit.

² The Organiser of Emergency Training is an *ex officio* member both of the Dominion Council and of all Local Councils.

the industrial field to see what additional resources can be turned to account for the further development of the training programme.

Union of South Africa

The Union of South Africa faced the same problem as Australia and New Zealand at the outbreak of the war: a very small reserve of trained labour with a much increased need for such labour in the immediate future.

In October 1939, the Minister of Labour warned employers not to lay off workers or to cut down on training programmes because of immediate war employment dislocations, since this was not only an anti-social policy but one which was extremely short-sighted. This warning was justified by the expansion, in the course of the following year, of munitions industries requiring large numbers of workers, both trained and untrained, and by an upswing of labour requirements in secondary industries.

In co-operation with employers and trade unions, steps have been taken to organise technical training, both for war workers and for army technicians, by using the facilities of existing technical schools and by setting up new schools in a number of different centres.

A central organisation for technical training has been established to co-ordinate all the various efforts, private and public, to supply the additional trained workers required by the expansion in the Union's war effort. The Controller of Industrial Man Power, under the Minister of Defence, is responsible for the determination of rules regarding the admission to employment and training of any untrained or partly trained workers brought into any controlled industry to supplement or to replace skilled workers.¹

Canada

From the beginning of the war, Canada realised the necessity for developing large numbers of additional skilled, semi-skilled, and specialised workers to staff the Dominion's expanding war factories. There was little reserve of skilled labour at hand in September 1939 and, in addition, war production required some new techniques and skills never before needed by Canadian workers. The organisation of vocational training was clearly, under these circumstances, a matter of primary importance.

¹ Union of South Africa, *Government Gazette*, 13 Feb. 1941. (See chapter II.)

With the outbreak of war, immediate action was taken to expand all training programmes and to direct them along lines useful to war industry. Special emphasis was laid on training young people for occupations in aircraft manufacturing, motor mechanics, sheet metal working, fitting, welding, and machine shop work. Training not directly related to the war effort was reduced or suspended.

The youth training programme was at first made the basis of measures to train workers. It was greatly expanded, and training under it was modified quickly to meet wartime needs. From September 1939 to September 1940 over 5,000 workers were trained in industrial classes alone in connection with this programme. This type of training, developed during the depression years, has been carried on in many localities in special centres, in which the young people received training for 30 or 40 hours a week for 6 months (on the average), while in other localities special youth training classes were held in the regular vocational schools. The system of industrial apprenticeship, a part of the youth training scheme, also has a role in war training. In some cases these trainee-apprentices are placed directly with employers; in other cases, only part of the time is spent in the factory and the remaining time in classes providing instruction in related subjects. The Government reimburses employers up to a certain percentage of the wages paid to apprentices for a period not exceeding three months, and agreements concluded with employers include safeguards to prevent exploitation of the trainees and to protect existing labour standards.

By the summer of 1940 the need for trained workers still far exceeded the supply. The Dominion Government, with the co-operation of Provincial Governments and technical school boards, therefore organised intensive summer training courses to increase the supply of trained workers for industries engaged in war contract work. The courses lasted from 8 to 12 weeks, with between 44 and 48 hours of instruction per week. Their purpose was to provide pre-employment instruction for general production workers and machine operators. They were open to unemployed persons and to all other workers as well, above the age of 16, although for people of 30 and over, enrolment was restricted to workers with previous trade experience who wished to take refresher courses in their former occupations.¹ Particular efforts were made to fit the training to the precise requirements of the future jobs of the trainees, and employers needing additional workers were invited to

¹ As a general rule, enrolment was restricted to men, although classes for women could be started on the request of employers. Until 1941, few classes for women were started, and few older workers entered into training.

make suggestions regarding the organisation of training. The training given was considered successful and the Government continued to train workers in this way after the summer courses came to a close.

An expansion of training was also encouraged by means of contracts awarded to private establishments or to Government plants. In the aircraft industry, hours of work are limited to 48 a week as a rule (with time-and-one-half for any overtime), and minimum rates of pay are established for all categories of workers, including those in training for semi-skilled operations and apprentices. The period of training is fixed for each type of worker. Young apprentices, between the ages of 16 and 21 years, may be employed in the proportion of one apprentice to every five journeymen in specified trades. At the time of employment, each worker receives a certificate of engagement setting forth his classification, and on leaving he is given a certificate showing his training and classification.¹

Enrolment in technical schools throughout Canada has reached a high level. In many localities these schools are being enlarged, and in others academic institutions are being equipped to give technical training for war work. Extra shifts have been added, and in many schools the night shifts are being utilised to provide instruction to army trainees. These schools, offering courses in a variety of necessary occupations, are reported to remain one of the main sources of recruits for the skilled trades. Apprenticeship is following a generally normal course on the whole. The Government has been attempting to speed up certain kinds of apprenticeship, however, and in many trades is checking the character of instruction offered apprentices to ensure that it corresponds closely to war labour requirements.

In November 1940, the annual rate of training for war industries was over 24,000 per year, and another 2,000 were being trained annually for the armed forces. But this was not enough, although available equipment and instructors were taxed to capacity. Consequently, in 1941, following a report and recommendation of the Inter-departmental Committee on Labour Co-ordination², a new programme was set up under which, it is hoped, 100,000 workers per year can receive basic training for war employment: 50,000 in vocational schools and special youth training centres and 50,000 in industrial plant schools. The major features of the programme are the following:

¹ It is planned to make these conditions uniform throughout aircraft manufacturing and to apply the same general principles in shipbuilding and other important war industries.

² The text of the Committee's report was included in the Jan. 1941 issue of *The Labour Gazette* (Ottawa).

(1) Preference in training is given (a) to war veterans; (b) to men over 40; (c) to women and others.¹ All other factors being equal, unemployed persons are to be assigned to training before employed persons.

(2) Training is co-ordinated directly with the needs of essential industries and of the armed forces, in regard to (a) the nature and extent of the instruction; (b) selection of trainees; and (c) their subsequent absorption or placement.

(3) Training in schools and training centres is in many cases preliminary or supplementary to plant training. Provision is made for intra-plant training in order to absorb a proportion of the output of the schools and to train such additional workers as may be required.

(4) Living allowances are granted certain classes of trainees in vocational schools, and a uniform schedule of wages is established for trainees in plants.²

(5) Each industrial plant in receipt of war contracts is required to accept a large part of the responsibility for training its own new workers and other workers for essential war industries as may be required. Employers in non-war industries are encouraged to train for war production in their plants.

(6) In view of a shortage of instructors, adequate training facilities are to be provided for instructors.

(7) Trainees who complete a course satisfactorily are given a certificate of performance. No guarantee of employment is given but the trainees are, as a rule, assisted to find suitable employment in war industries, though not necessarily in their own localities.

(8) The control and administration of training in the schools are a provincial responsibility, but continued and greater Dominion financial help is recognised to be necessary for war training purposes. The Inter-departmental Committee recommended, in its report, that this help be granted "wherever the provinces are willing to amend or extend their training programmes as required by the Dominion Government".

It is suggested that, in addition to these short and intensive courses in factories, schools, and centres, provision should be made to train, over a relatively long period, a number of selected persons in the metal or other trades where a shortage of labour is apparent. "Such a plan (the Committee notes in

¹ Under present arrangements, women are being accepted only when sponsored by employers.

² Weekly allowances range from \$3 for a single trainee living at home (if he has given up employment to attend a training class or is in need) to \$7—\$9 for single trainees away from home, and are fixed at \$12 for trainees who are heads of families.

its report) is needed to meet the demand for workers with a relatively high degree of technical skill, which the progressive introduction of numbers of short-term trainees will set up, and will be especially important if the war should be long."

The programme is just being put into effect. It is still too early to indicate experience with its operation. On 24 March 1941, however, the Minister of Labour made available a few details concerning the actual working of the programme.

The programme of vocational training in the schools throughout the country was proceeding according to schedule, the Minister said, with many schools on a two and even three shift basis.¹ The supply of applicants for training had been adequate to date, but, despite the preferences accorded under the training scheme, the trainees continued to be confined almost wholly to young people between the ages of 18 and 30. The number in training in the schools as on 1 March 1941 was 11,442. As a rule, the schools concentrate on training for skills which are related to a number of industries rather than to one particular industry, in order not to duplicate intra-plant training activities. Since the average duration of the course is three months, about 4,000 workers can be graduated every month. In the summer, when day school pupils are on vacation, the monthly output of war workers will be even greater. Some criticism has been raised of the adequacy of the training provided through the schools; but at the same time it is generally recognised that the present emergency necessitates full use of their facilities, particularly in view of the absence of extensive intra-plant schemes.

It is much more difficult, however, to obtain details of the operation of the intra-plant training and up-grading programme. No figures are available, but the Minister of Labour stated that he was satisfied that all was going well.² The precise relation of the Government programme to organisations of employers and workers and to individual employers and workers is not yet clear, since the programme has only recently been begun. No governmental financial assistance is being given to employers, as yet, to meet the cost of training new workers. The Government has taken the position that the cost of training should be borne by industry itself.³ Therefore, as the Minister of Labour declared, it has little control over intra-plant training activities.⁴

¹ The Dominion is meeting about 85 per cent. of the additional expense to the provinces involved in expansion and shift operation of the schools.

² Statement of the Minister of Labour in the House of Commons, Ottawa, 24 March 1941.

³ This was the initial attitude of most Governments, usually abandoned for a policy of active financial assistance to employers and of technical supervision, when needs for trained workers grew acute.

⁴ Statement of the Minister of Labour in the House of Commons, Ottawa, 24 March 1941.

So far, there appears to have been little difficulty in obtaining a sufficient number of trainees. Some difficulty has been encountered, however, in co-ordinating training work with placement work. A considerable number of young people have completed training for war work but found no employment openings in such work. Machinery for the quick placement and transfer of trainees is being set into motion, however, for it is recognised that the emergency training scheme requires an expansion of the employment service or of machinery supplemental to it. The Minister of Labour declared in the House of Commons, on 24 March 1941, that every possible step is being taken to see that trainees are brought into contact with industries which require their services.

The bottlenecks to further expansion of training in the Dominion are shortages of instructors and of equipment, difficulties which in present circumstances are not easy to overcome.¹ They point to the need, however, for utilisation of the plant and instruction capacity of secondary industries for training additional workers for the armed forces and for primary war industries. A significant experiment in this direction is at present being carried on by the pulp and paper industry of the Dominion. This industry is training workers in mechanical trades² beyond its own normal requirements, with a view to making some contribution to the war effort. The plan of the pulp and paper industry devotes special attention to the selection of the trainees and to enlisting their interest on a voluntary basis. Practical and theoretical instruction are combined; and in some instances shops in the larger mills are used to produce component parts of war materials, thus providing useful practical work for the trainees.

It has been suggested that similar schemes could well be adopted by other organised industries which are not directly engaged on war contracts—the primary textile mills, for example, the shoe industry, public utilities, and other industries which regularly engage mechanics and skilled workers.³ Experience in other countries has indicated that financial and technical assistance from the Government would be essential to carry through any such plans on a large scale.

¹ Some secondary industries, e.g., the pulp and paper industry, have loaned highly skilled mechanics or other workers to expanding war industries to help inaugurate training schemes. Other industries have sent various persons to Great Britain to obtain technical instruction for teaching in plant trade schools.

² Machine shop work, blacksmithing, pipe fitting, welding, millwrighting, electrical work, steam engineering, and others.

³ Each industry would necessarily work out the details of its own training scheme, after the Government had given the lead in encouraging this contribution by non-war industries. A memorandum presented to the Inter-departmental Committee on Labour Co-ordination, dated 9 Apr. 1941 (prepared by Mr. A. W. Crawford), describes the scheme in force in the Canadian pulp and paper industry.

United States

When, in mid-1940, the United States launched its national defence programme and plans for expanding production were turned out in factories and offices all over the country, the importance of labour supply was brought out clearly. Many products required for defence had not been made for twenty years. Many others had never been made before. The problem was not, therefore, merely to provide a sufficient number of skilled and specialised workers. "It was rather", as the Associate Director General of the Office of Production Management stated, "a problem of providing a supply of skilled and semi-skilled labour that was better and adaptable to the peculiar and exacting needs of a defence situation".¹ The question being asked everywhere was: what are the best ways to train the hundreds of thousands of additional workers who are needed for defence production?

Although at first there was considerable difficulty in finding an answer which satisfied the various agencies of the Government, employers, and workers all at the same time, much initial confusion has now been ironed out. The United States entered 1941 ahead of its schedule. By July 1941, over 1,000,000 workers will have been through special defence training courses and many thousands more workers will have been trained by employers in their own establishments.

APPRENTICESHIP

There is no substitute for apprenticeship in the training of highly skilled mechanics; and apprenticeship has a very important role in the defence programme. This is a basic principle in United States defence training, and one agreed to by the Government and by the employers and workers concerned.

The impetus given to apprenticeship by national defence can be measured by the considerable increase in the number of trades in which apprenticeship systems are now in effect. The total of 433 trades in December 1939 advanced to 750 trades in December 1940; the number of manufacturing plants with schemes approved by a joint committee of employers and workers or by the Federal Committee on Apprenticeship showed a marked increase over the same period (11 to 145); and the number of States co-operating in apprentice-training rose from 28 to 34 in that year. During the six months ended in March 1941, the number of apprentices in apprenticeable trades increased by about 20 per cent. Even so, however, the number is far below the minimum needs for skilled man-power.

¹ Statement by Sidney Hillman before the House Military Affairs Committee, 8 Apr. 1941.

The Secretary of Labor has declared that there should be 1,500,000 apprentices in training instead of the present total of only 125,000.¹

The Federal Committee on Apprenticeship (an agency within the Department of Labor) is very largely responsible for determining apprenticeship standards and for promoting the apprenticeship programme. It is particularly well-equipped for these tasks because it is representative of industry and labour as well as of the Government agencies directly concerned. Its energies have been directed towards expansion of apprenticeship in the metal trades and the shipbuilding and aircraft industries, in which a shortage of skilled labour will probably be acute first. In recent months the tempo of work of the Committee has been speeded up considerably and its office and field forces have been doubled. Since this Committee's activities are indicative of the direction of apprentice-training for defence industries and since it has been officially charged with the responsibility for the apprenticeship phase of defence training, some of its recommendations are summarised briefly here²:

(1) The employer, or employer and trade union acting in accord on the basis of a collective agreement, must take the initiative in apprenticeship.

(2) First, a careful study of all jobs in the plant must be made to see which need apprenticeship (requiring two years or more of training). Second, a survey of plant space, equipment, etc., must be made so as to decide whether as many apprentices as are needed can be taken on at once. Third, a responsible person must be put in charge of the plant programme. Finally, the working details of the course must be drafted.

(3) Although a supervisor of apprentices would be chiefly responsible for the apprenticeship programme, a joint apprenticeship committee is of invaluable assistance in drafting standards, principles, and practices for the programme of any plant. The committee would consist of equal numbers of representatives of workers and management.

(4) Resources of vocational schools should be canvassed to give the apprentice related theoretical instruction, co-ordinated with his practical instruction.

(5) The Employment Service is a centre for advice on apprenticeship for both employers and workers. The recruit-

¹ *New York Times*, 15 March 1941.

² Drawn from various reports and bulletins of the Federal Committee on Apprenticeship and the Apprenticeship Unit of the Division of Labor Standards (Department of Labor), such as *Out of Crisis, Opportunity!* (*Apprenticeship in a Long Range Defense Program*), and *The Apprentice and the School*. The Committee works in co-operation with the Training Within Industry Section of the Labor Division.

ment and selection of apprentices should be done in full co-operation with offices of the Service.

(6) National standards of apprenticeship, drafted by employers and workers of the trades concerned, should be extended.

(7) In some communities where there are many small machine shops or factories, there are definite advantages in community apprenticeship programmes (drafted by employers and workers of the community) which can pool effort and train a large number of apprentices in an economical and common-sense way.

(8) The Committee recommends a minimum of 4,000 hours of reasonably continuous employment for an apprentice and of 144 hours per year of supplementary theoretical instruction. In a defence emergency, it does not recommend appreciable shortening of apprentice-training. Wages paid during the period should bear a definite relation to the established rates for journeymen in the trade concerned.¹

Apprenticeship is a source from which not only skilled craftsmen but also set-up men, lead men, as well as some future supervisory and technical personnel may be drawn, according to experience acquired in the United States.

Undoubtedly great progress has already been made with the development of apprenticeship to meet urgent yet long-term defence needs. Much of this success is attributed to the fact that employers and workers are responsible for co-operating together fully in the whole programme and have worked together in every aspect of its execution.

TRAINING IN VOCATIONAL SCHOOLS

The national defence programme was accompanied by a mobilisation of the country's vocational schools for defence training. At the end of June 1940, the U.S. Office of Education and the Work Projects Administration jointly launched an emergency national defence training programme designed (a) to refresh or to improve the skills of employed workers and (b) to provide short intensive training in defence occupations for unemployed workers selected from W.P.A. rolls or registers of the Employment Service.

The programme is being carried out with the co-operation of the vocational schools in 800 of the 900 cities with vocational trade and industrial schools. Instruction is given for aircraft mechanics, machinists, welders, sheetmetal workers,

¹ Regulations under the Walsh-Healey and Fair Labor Standards Acts permit the payment of a wage less than the minimum wage rates only if the apprentice is registered with a State Apprenticeship Council or, failing that, with the Federal Committee on Apprenticeship.

electricians, riveters, pattern makers, and lathe operators, and in such engineering fields as drafting, machine-tool making, and instrument making. Funds have been appropriated by the Federal Congress to purchase new equipment and to finance expansion or modernisation of many of the schools. Defence training courses are now given priority in the country's vocational schools, and local representatives of the Employment Service are responsible for recommending to the schools the types of defence occupations for which workers will be trained, together with the number of persons who should receive such training.¹

The National Youth Administration is now depending entirely upon public vocational schools for furnishing vocational training to out-of-school workers employed by the N.Y.A. Thus, the schools give all off-the-job training to these workers, and the N.Y.A. organises and administers the programme of work experience for the N.Y.A. workers. The Civilian Conservation Corps uses the facilities of the vocational schools to some extent, and training is given in its camps by experts of the Office of Education.² Moreover, some of the units of the regular army also use the schools, since existing army trade schools are insufficient to meet present needs.

Numerically, the results of the emergency vocational training programme organised throughout the country in the schools are impressive:

Special defence training	Estimated number trained by July 1941
1. Pre-employment refresher or supplementary short courses to prepare and up-grade industrial workers.	600,000
2. Vocational training for out-of-school rural and non-rural youth (including C.C.C. youth).	205,000
3. Related or other necessary training for youth on N.Y.A. projects.	100,000
4. Training of ground service men for air fields.	5,000
5. Pre-employment and in-service training for engineers.	100,000
TOTAL	1,010,000

¹ Over 300 cities have put their vocational schools on a 24-hour 6-day-week schedule. One problem raised in many cities has been a mushroom growth of private vocational schools, many of which are neither reliable nor efficient and take advantage of a worker's ignorance of the availability of other training facilities. Thus, in many localities, "labour leaders have warned workers to choose with care" if they contemplate taking courses at any one of these private schools of recent origin. (*New York Times*, 15 Feb. 1941.)

² Regulations of the C.C.C. have been amended to permit the enrolment of young men from families in the moderate-income group, in order to provide them with useful employment and vocational training.

Opinions differ, however, as to the effectiveness of the training provided by these schools in preparing workers to fill defence jobs. The courses last for 6 to 12 weeks, as a rule, but many workers leave before the completion of training to take up employment. Some employers find the schools too isolated from industry and present-day job needs; and some labour leaders, as well, feel that the schools have not a sufficiently direct tie-in with industry and labour. But most critics admit the need for utilising the vocational schools in the large-scale defence training effort, urging only that (1) too much reliance should not be placed on these schools; (2) the schools should be more integrated with industry and labour; and (3) there should be more careful co-ordination of training through the schools with placement by employment offices in defence jobs.

SPECIAL ENGINEERING DEFENCE COURSES

One important phase of the Office of Education's vocational training programme is general engineering training. A total of 775 engineering defence courses had been approved by the Federal Security Administrator by February 1941. They are to be given in over 100 engineering colleges located in the different States of the United States and are designed primarily to provide specialised basic training for service as designers, inspectors, and supervisors, and for work in special engineering jobs.

Requirements for admission vary with the particular subject to be learned. Some are open to high school graduates, while others require 2 to 4 years of engineering education. There are no age limits, but applicants are not accepted unless they are employable, after training, in defence work. The selection of students is in the hands of the engineering schools. Students accepted have the cost of training paid by the Federal Government but must support themselves and buy their own text books. Training is given in specialised fields essential to defence where there is already a shortage of personnel. Arrangements have already been completed to train nearly 60,000 students in the colleges. The training is in no way a substitute for regular engineering courses leading to a degree; it is primarily intended to give intensive training in a narrow field to prepare the trainee for specific duties as quickly as possible—normally between 2 and 6 months of full or part-time study.¹ Many of the men now in training are employed and are being prepared for accepting new responsibilities as plant expansion brings greater needs for production executives. In other words, much of this training fits directly into the other

¹ Defense, 11 Feb. 1941.

defence training, providing a part of the necessary up-grading process.

INTRA-PLANT TRAINING AND UP-GRADING

The majority of employers, workers, and Government officials in the United States are convinced that, if the nation's industries are to meet the defence emergency, intra-plant training and extensive up-grading all along the line must be a basic and important part of any training programme. For many operations, and in most occupations, training can be done most efficiently and most effectively "on the job". This cannot be done by the Government, but the Government has undertaken to encourage and promote intra-plant training and up-grading organised by employers in co-operation with the trade unions.

The Training Within Industry Section of the Labor Division of the Office of Production Management is charged with promoting this type of training. District representatives, approved jointly by labour unions and by management, are lent by industry to serve as experts in advising employers regarding the establishment of training and up-grading programmes.¹ Each representative is assisted by a council of four advisers—one from the American Federation of Labor, one from the Congress of Industrial Organizations, and two from industrial management—and by a panel of personnel and training consultants available to help set up training programmes in any particular plant.

Special stress is laid on employing the unemployed and fitting them for defence employment, on making the best use of available skilled workers, and on breaking down certain skilled operations into semi-skilled ones so as to permit the introduction of large numbers of workers who can be rapidly trained to do specific jobs efficiently. "Under training-within-industry methods set up by the Labor Division", Mr. Hillman declared recently, "the length of time for doing highly involved and delicate defence operations has been appreciably shortened, and potential shortages of skilled labour averted. This has been achieved by applying a process of grading employees in progression up through jobs of higher skills within defence plants."²

The training and up-grading of workers varies considerably from plant to plant. However, various conferences and

¹ The country is divided into 22 districts, and administration of the programme is as decentralised as possible.

² *Defense*, 4 Feb. 1941. Labour leaders insist that the breaking down of jobs and thus of skills required must not be allowed to narrow unduly the scope of the training given to defence workers. They hold that "the present emergency does not justify us in producing men whose skill ends with the pressing of a button all day long". (Robert J. WATT, quoted in *New York Times*, 14 Feb. 1941.)

meetings of industrialists and labour leaders with Government officials have led to agreement on certain principles and procedures, which have been summarised briefly by the Training Within Industry Section of the Labor Division.¹

(1) Each firm should take stock of its present labour force — checking the experience and abilities of each worker.

(2) A careful analysis of jobs is a preliminary to a training and up-grading programme. Employers should grade and establish the relative worth of each job after it has been broken down into basic operations.

(3) This analysis will usually indicate certain natural channels of up-grading which will make possible the development of semi-skilled and specialised workers with little training and virtually no slowing down of production.

(4) The experience of other employers who have met similar problems should be made available to any particular employer starting training and up-grading.

(5) Each plant should adopt a definite up-grading policy and one individual should be responsible for its execution.

(6) Pay adjustment should be made simultaneously with promotion to the jobs of higher rating.

(7) While most training can be best done on the job and often in connection with actual production, the possibilities of quickening the process with theoretical instruction related to the practical programme should be examined.

(8) Labour-management co-operation (on a national, district, and local basis) produces the most efficient results.

The training of the new workers brought in to replace upgraded workers also varies from plant to plant, but in almost all companies the greatest part is carried out on the job itself, either individually or in small groups working under the supervision of skilled workers or foremen, and is supplemented by group instruction.² Some of the larger companies have special training schools in the plants, operating both for new workers and for those being up-graded. In the automobile industry and in the aircraft industry there has been a great expansion in training within plants. The Chrysler Corporation, with contracts for aircraft assembly and tanks, is giving special 2 to 6 week courses to its workers; these are now directed largely to increasing the number of foremen and supervisory personnel.

¹ Bulletin No. 2, issued in revised form in Oct. 1940 by the Training Within Industry Section, Labor Division, Office of Production Management.

² At least half of the employees of the machine tool industry have been trained on the job since December 1939, and the proportion of workers trained on the job is increasing all the time. (*Business Week*, 7 Dec. 1940.)

In addition to training courses for foremen, some plants have developed a special field course which teaches foremen how to train new workers. Many plants encourage trainees to take related courses on their own time and several plants go so far as to provide instructors and class rooms for this purpose.¹

All of this training is, as a rule, supplementary to regular apprenticeship programmes, which have likewise been expanded in the companies which are embarking upon training and up-grading programmes. Many American plants also have normal programmes for the development of supervisory personnel; and these have been extended, in many cases, owing to a general concern over the limited supply of such personnel.

Despite the progress in training which can be recorded among manufacturers with an important part in the defence programme, most employers realise that present efforts have still to be expanded and present methods need perfecting.² Training remains one of the most difficult problems of defence industries. For this reason, the technical assistance which can be rendered through the Training Within Industry Service by practical experts on training (drawn from industry) and by organised labour (experienced in training and job operations) will undoubtedly be of value.

Many of the acute problems of training workers needed by defence industries were discussed at an intra-plant training conference, held in Washington on 17 and 18 March 1941, under the auspices of the Office of Production Management, and attended by representatives of management and of workers in key defence industries. The consensus of opinion among those attending the Conference was that, in order to solve present problems³:

(1) Apprenticeship training must be extended as widely as possible, at the same time retaining the standards set by the Federal Committee on Apprenticeship and without reducing the time required for proper training.

(2) "Upgrading" or promotion-from-within programmes should be set up in defence production plants as rapidly as possible. Co-operation between management and labour in the plant in all stages of the programme is essential.

(3) Large manufacturing establishments which have primary defence contracts and extensive training programmes

¹ Large numbers of persons in vocational schools are employed workers fitting themselves for a job higher up the line in their own plant or trade.

² The Office of Production Management stated in the letter of invitation to a March 1941 Conference on Intra-Plant Training: "There is a rising concern at the slowness with which industry and labour are responding to the need for increased training on the job". (Text of letter, O.P.M. Release of 17 March 1941.)

³ Report of the Findings Committee of the Conference.

should help subcontracting firms in acquiring the necessary personnel and in developing training programmes.

(4) The Training Within Industry Section of the Office of Production Management should make available information as to methods used in different plants and their effectiveness in training workers to supply their respective needs.

(5) There should be an expansion of the supervisory training programme within defence industries.

(6) The basic premise for all training within industry is that management and labour must co-operate locally in the organisation of training.

In conclusion, the United States has embarked on a large-scale and varied programme for the expansion of vocational training and retraining. The actual execution of the programme has not made as much progress in some places as in others and, therefore, the general picture is still "spotty". In some localities, the training programme is just beginning to emerge from a network of difficulties. In others, all the interested parties (employers, workers, public vocational schools, and Government experts) are working together in harmony, and a co-ordinated community training programme is already well under way. But all sections of the country are far more conscious of the issues involved in the training, retraining, and up-grading of workers than ever before; and, gradually, agreement among the various interested groups on basic principles and procedures for defence training is being achieved. It is widely recognised, just as it has been in Great Britain, that each plant has different training needs and that flexibility must be and remain a chief characteristic of training and up-grading programmes.

Japan

The rapid industrial development of recent years in Japan has brought into prominence the question of the country's supply of suitably trained workers. There were complaints in 1936 of a shortage of technicians and skilled workers in the heavy industries, of semi-skilled operatives in the textile industry, and of trained workers in other industries. As the demand from the munitions and other war industries for trained workers increased, the need to make adequate provision for vocational training and retraining became more urgent. In 1937, therefore, the Government began to make serious efforts to overcome the labour shortage for essential industries.

Pending a projected reorganisation of the employment office machinery, the Government instituted a system of itinerant squads which, under the control of the Department of Home Affairs, were to give vocational guidance to young persons and to co-operate with employment agencies and authorities in cities and towns and villages with a view to meeting the labour shortage. In addition to this, however, it was necessary to make further provision for systematic vocational training for young people who entered employment on leaving school.

A series of Imperial Orders relating to vocational training was issued under the General Mobilisation Act and came into effect on 5 April 1939. These Orders compelled all heads of undertakings engaged in operations included in a schedule drawn up by the Minister of Welfare¹, and normally employing over 200 workers of more than 16 years of age, to organise technical training courses in specified trades for a certain number of workers, not exceeding 6 per cent. of the total number of workers in each factory.² Training organised in this way was confined to workers over 14 and under 17 years of age who had attended a higher primary school, or its equivalent, for two years. It extended over a three-year period, but it might cover only two years in special cases, with the permission of the Minister, or even less than two years if the war required such intensive training. The course would include 220 hours of general education and 500 hours of technical education, all included as working hours within the meaning of the Acts and Orders governing hours of work. The employer had to communicate the proposed contents of his course to the prefects or the head of the mines inspection department, for their approval or revision. Although the cost of the training was borne entirely by the employer, the latter might receive certain compensations and subsidies within the limits of the State Budget. The Minister, prefect, or head of the mines inspection department might demand reports from any employer on the technical training of his staff and they might inspect and supervise the training.

As regards the supply of technicians—for these were particularly scarce—the Minister of Education is empowered to require Technical Colleges, schools, and universities to train technicians in certain subjects, the subjects and the numbers to be trained to be specified by himself. This training has been supervised and directed by the Minister and subsidised by the Government.

¹ Twenty-two kinds of work were scheduled, all connected with the metal-working and machine tool industries.

² The Minister could extend this obligation to factories engaged in scheduled operations which were employing less than 200 but over 50 workers over 16 years of age.

Joint Organisation of Training: Great Britain-India

In a country which is in the early stages of industrialisation, the greatest obstacles to the expansion of vocational training, in accordance with the needs of defence industries for trained workers, are shortages of instructors and of equipment. One method of overcoming these difficulties is through the utilisation, for purposes of training, of the resources of equipment, instructors, and general experience of training in the possession of other countries which are further advanced industrially. An interesting experiment with this method is that whereby Indian workers are to receive training for war work in Great Britain and British instructors are to give courses of training in India. Although the scheme is still in its initial stages and on a very small scale at present, it is mentioned here briefly in order to illustrate possible co-operation in the field of training between two countries in different stages of industrialisation.

Indian workers are to go to Great Britain in groups of 50 at intervals of about 6 weeks.¹ They are to be selected by the National Service Labour Tribunals, in consultation with employers and regional supervisors of technical training. They are to be at least 18 years of age and will be chosen largely from among semi-skilled workers, in Government and other factories, who seem likely to be adaptable to conditions in Great Britain and capable of becoming more highly skilled in some branch of the engineering trades. Each Indian worker will receive 6 months' training in a British Government training centre, and will receive, during the course, training allowances and the usual expenses. After a short period in a hostel, he will be lodged with a working class family and will have an opportunity to study trade unionism and other aspects of the British labour movement. The main purpose of the scheme, however, is to give the Indian trainees an intensive training course and to send them back to help to accelerate the production of munitions in India. It has been estimated that over 10,000 skilled and specialised workers will be needed by the middle of 1941, and existing technical schools cannot be expected to produce this number.

As a complement to this scheme for the training of workers, Great Britain has agreed to send to India about 100 additional instructors who will help to train the many thousands of workers who have applied for technical training in occupations essential to the expansion of India's war effort.²

¹ The first group of Indian workers arrived in Great Britain in May 1941.

² *The Times*, 28 Dec. 1940; *The Hindu* (Madras), 6 Sept. 1940; *The Statesman* (New Delhi), 26 Nov. 1940.

CHAPTER IV

THE MOBILISATION OF LABOUR RESOURCES

The introduction to the preceding chapter indicated the labour reserves which are available for essential industries. It also analysed the problems of investigating and selecting the reserves which can best be drawn upon to satisfy their labour requirements. This analysis showed that effective utilisation of these reserves implies both a large-scale redistribution of workers in essential industries and the diversion to such industries of a large number of workers ordinarily in non-essential activity, and the absorption into useful employment of non-working members of the active population. The execution of so vast a programme naturally meets with many obstacles which as a rule tend to limit the mobility of labour. To remove these obstacles, in other words, to "mobilise" labour, is the essential problem which wartime employment policy must solve.

The most serious of these obstacles is undoubtedly the difficulty of qualitative adjustment of supply to demand, a difficulty which vocational training is designed to overcome. The importance of the problem and the special character of the measures adopted for its solution are such that it seemed desirable to discuss them separately in the preceding chapter. But whether or not vocational training or retraining is needed in order that each worker may be employed in the job where he is most valuable, his transfer to or placement in this job often meets with resistance. This opposition is both material and moral in origin and may be found in the worker himself, or in his employer, or among other workers.

The dilution of skilled labour, which the engagement of semi-skilled workers usually entails, generally gives rise to misgivings and objections among skilled workers and trade unions. Often, too, men are strongly opposed to the engagement of women in occupations or industries from which the latter have been traditionally excluded.

Moreover, a worker himself often dislikes any change in occupation or employment unless the change means an improve-

ment in position. The greater his skill, the longer his experience, and the higher his age, the more he will resist a change of occupation. His resistance will be increased if the change means that he has to undergo a period of training and during this period be content with remuneration falling below his ordinary wage. Even a proposed change of employment in the same occupation may meet with difficulties. A worker who has been employed for many years in the same undertaking, and who has acquired certain seniority rights with regard to paid holidays or a pension or preference in employment if the staff is reduced, is little inclined, naturally, to enter the service of another undertaking where he would be an unknown newcomer and where he would know that, after a certain time, his services might no longer be required. Added to this, a change of occupation or employment is often accompanied by a change of workplace which in itself creates new problems. There is no need to mention how great a part these difficulties played in the struggle against unemployment during the whole period between the two wars, in connection with measures adopted to transfer persons in depressed areas to districts where their prospects of finding work were better. The difficulties are many times greater when the person who has to be persuaded to move already possesses a job, and they are greatest of all if the pay in the proposed job is lower than that which the worker is actually receiving.

In normal times the interplay of the forces of supply and demand may help to overcome resistance of this kind. A natural effect of a great shortage of workers in a particular undertaking, occupation, or place, is the promise of higher wages for workers whom it is desired to attract. This method of enticement is usually limited, however, in any country which has reached an advanced stage of economic mobilisation for defence. Moreover, it has already been shown that efficient organisation of the employment market demands that employers be prevented from competing with each other for workers, as they would otherwise be tempted to do. Consequently, if the elasticity and mobility, which tend to be destroyed when wages can no longer fluctuate freely, are to be restored to the employment market, measures of a different kind must be adopted in order to induce workers to accept a proposed employment or a change of employment.

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The recruitment of workers from among persons outside the employment market may also meet with difficulties. No doubt many persons not ordinarily in employment are driven by the pressure of economic circumstances to look for work. In particular, wives of mobilised men often try to supplement the small allowance paid them by the State by earning wages; independent workers whose business suffers because of the war look for paid work; and other persons who normally do not work offer their services spontaneously, either to make up for the total or partial loss of their income or because they wish to collaborate in the national effort. But despite this influx of workers, it may be necessary to take action directed specifically to bringing into the employment market the large number of additional workers required. Moreover, the attraction which different categories of vacant jobs exercise for all these persons varies widely. The number of candidates may be super-abundant in some sectors and inadequate in others. There may be, for example, plenty of candidates for posts as women managers, secretaries, and clerks, while at the same time munitions factories are short of workers. Many women who have never gone out to work feel some misgivings about factory work and are unaware of the number of jobs in the munitions industry which are particularly suitable for their sex.

Lastly, there may be resistance among employers to policies of labour recruitment. Reference has already been made to efforts designed to overcome difficulties connected with inducing employers to develop apprenticeship or to collaborate in emergency vocational training to the extent required by the collective needs of industry, even though this may be in excess of their own present or future needs. Other difficulties may be the result of an employer's prejudice against the engagement of certain kinds of workers—especially women—for specified jobs, and of his unwillingness to make the necessary changes in his methods and facilities.

In trying to overcome these various misgivings and prejudices, the Government will no doubt find a powerful ally in exceptional national circumstances, and will be able to appeal to the spirit of fellowship and devotion of all. Nevertheless, the response to this appeal will depend on whether each person feels that he is being given fair treatment, that the measures to which he is urged to submit are necessary, that his pri-

vate interests are not sacrificed more than is needed in the general interest, and that where necessary his future rights are protected.

In countries where there are well-developed and trusted organisations of employers and workers, the positive and active collaboration of these organisations in drafting and carrying out the whole labour supply policy will often be a decisive factor. As a rule, their co-operation makes it possible to ensure that all reasonable measures are taken to increase output and to improve the utilisation of workers in their present jobs before entering upon changes or recruitment which would mean needless moves and sacrifices and would unnecessarily complicate the future readjustment of the employment market to more normal conditions.

A judicious distribution of orders, intended to permit every possible undertaking to share in the defence programme, is a first means of confining within reasonable limits changes in the employment market. The work must be directed to the worker, unless it proves indispensable to move the worker himself. Much can be done in this respect by extensive sub-contracting or "farming out" of contracts in order to distribute defence orders widely among all the factories which can take an effective part in the defence programme.

A second method is to rationalise the organisation of work and the utilisation of labour in industries and factories where production must be expanded, so that the need to bring in outside workers may be limited as much as possible. In time of pressure, however, there is a great temptation for an employer to adopt the apparently quickest solution, namely, to increase the number of persons employed, before he patiently considers other means of increasing output.

Lastly, it would be socially and economically unjustifiable to recruit and transfer large numbers of workers to meet urgent needs if at the same time every possible step was not taken to protect their health and safety. Carelessness in these respects would mean not only a waste of human resources that would stultify measures already adopted, but also a dangerous decline in the workers' morale. Industrial hygiene and accident prevention must be organised all the more carefully since the speeding up of production in war industries and conditions of employment in improvised workshops or camps en-

tail more risks and since many of the workers have little or no experience of industrial work.

The mere fact that where trade unions collaborate in labour supply policy they are able to supervise these various matters helps to reassure the workers as to the need for the measures which they are asked to accept. The workers' attitude will be even more favourable if the actual measures have been prepared by the unions or with their direct help. As regards dilution of skilled labour, for instance, objections can be most easily overcome if its application is subject to agreement with the organisations concerned, and if these organisations are in a position to supervise its execution and see to it that, when the time comes, guarantees of a return to the pre-emergency situation are duly implemented. The organisations can play an equally useful part in determining the conditions for the transfer of workers from one place to another, providing for the payment of removal allowances, and making wage adjustments. By their influence, they can help to assure workers of the need for and fairness of the arrangements which have been made. Finally, both employers' and workers' organisations can do much to counteract the prejudices or disrepute attaching to certain classes of work or of workers. An active campaign of education and persuasion, when seconded by such collaboration, means that the scope of the voluntary system can be widely extended.

Yet the growing urgency of the changes which have to be made in the structure of the employment market may make compulsion inevitable. The adoption of compulsory measures does not involve the abandonment of the voluntary system. Even in countries where the absence of free organisations of employers and workers or the inadequacy of collaboration with existing organisations limits the possibilities of voluntary measures, it is clearly necessary to take into account the wishes of individuals in so far as these are not contrary to the general plan for the allocation of labour. But if individuals are not encouraged, by the methods described above, to respond spontaneously to the appeal of the authorities, compulsion will be the only remaining method of labour mobilisation; and since coercion itself creates a tendency to passivity among the persons concerned, its use will have to be continuously extended. The result will be that the adjustment of the employment market to changing economic needs will be less and less the

outcome of individual decisions and more and more that of the decisions of the authorities.

Compulsion designed to mobilise an adequate labour supply for essential industries may be either indirect or direct.

As regards the unemployed, the State frequently brings pressure to bear in various ways. One method is by providing that workers shall forfeit their right to unemployment benefit or allowances if they refuse to accept any employment proposed to them in essential industries or to undergo any training or retraining that may be needed for entering into such employment. Another is to abolish relief or to lower the amount provided, thus forcing the recipients into vacant jobs, no matter what they may be; but this latter method is not wholly effective, since it does not take into account the suitability of the employment which an unemployed person, owing to urgent need, is forced to accept.

In the case of workers already in employment, the State indirectly compels a redistribution by bringing about, in different ways, the reduction or laying-off of staff in non-essential undertakings. The reduction or dismissal of staff may be the result of measures for the rationing of raw materials, the controlling of credit, the limitation of supplies, or the taxation of certain articles. These measures may have been adopted in conformity with the general war economy programme or they may have been taken for the particular purpose of placing additional workers at the disposal of essential industries. In either case, the workers who are deprived of their employment are indirectly compelled, by the provisions governing the right to unemployment benefit or allowances, to accept work offered them. Of course, a necessary requirement of any such scheme is that the programme of discharging workers and that of re-engaging them in essential industries should be closely co-ordinated; otherwise there is a risk that the workers who are dismissed will for some time swell the ranks of the unemployed just when as full use as possible must be made of all available man-power.

In the case of persons who do not normally seek paid employment, the means of pressure brought to bear differ according to the group concerned. With the closure of workshops or undertakings, many small employers find that, like their workers, they have to look for work in essential industries. A number of independent workers may be diverted to

these industries by limitation of the number of licences or other permits which must be obtained before engaging in certain occupations, especially in handicrafts and commerce. But for many other persons wholly outside the employment market, direct compulsion proves to be the only means of placing their services at the disposal of defence industries, should they fail to come forward voluntarily.

The need to reach every person outside the employment market, to use his services to the full, and, if need be, to give him vocational training, is one reason why many countries have adopted a system of national labour service. When such a system is introduced, it is never limited to one class of persons. All nationals, and sometimes even all inhabitants, of a country are subject to its provisions, whether or not they are at work. Its object is to facilitate all the recruitment of workers and changes of employment which are needed for defence production. Moreover, it can have the advantage over indirect compulsion of securing close co-ordination between a worker's withdrawal from his previous employment and his re-employment in an essential occupation, eliminating any intervening period of unemployment. Lastly, it strengthens the measures taken to control employment, since a person who is assigned a particular job under the compulsory service system is unable to leave that job until he is released from service, just as an employer to whom he is assigned has no right to discharge him without permission.

National labour service is clearly the ultimate form of compulsion in mobilising labour reserves. The comprehensive and far-reaching character of compulsory service, however, does not, in fact, give an accurate impression of the actual extent of its application. In practice, every country which uses the system continues to adjust supply to demand by voluntary means as far as possible. On the one hand, the need for compulsion depends on the extent and urgency of the demand as well as on the degree of readjustment required to satisfy it. On the other hand, the limits within which voluntary action can meet the demand depend, as already stated, on the extent to which such action is furthered by the co-operation of employers and workers themselves in developing the whole labour supply policy. Furthermore, the number of countries in which compulsory labour is introduced gives only a

very incomplete idea of the degree of compulsion applied to the employment market in each country. It is obvious that the mere fact that the authorities have power to resort to compulsion in the case of recalcitrant persons is usually sufficient to overcome resistance and to create a readiness to accept decisions without formal coercion.

The mobilisation of national labour reserves can be supplemented, in some countries, by the employment or recruitment of colonial or foreign workers. In most countries, the employment and recruitment of these reserves are normally subject to regulations adopted for general economic reasons or for the protection of nationals. The exceptional circumstances of war or of national emergency may change the attitude of these countries to the problem in two respects. On the one hand, it may necessitate certain special precautions and lead to the exclusion of all foreign workers or workers of certain nationalities from posts in which their employment would be undesirable for reasons of national defence. On the other hand, when the need for workers increases beyond what can be obtained from the national reserves, a country will be induced to employ as many resident foreign workers as possible, and even to recruit additional workers either in the territories under its control or in foreign countries. The employment of colonial or foreign workers thus raises problems of distribution and recruitment. Their solution often requires special measures; and it is essential that these be closely co-ordinated with measures affecting the mobilisation of nationals.

The following pages contain a brief survey of the systems used in Great Britain, France, Germany, the British Dominions, and Japan to bring about the mobilisation of labour resources as required by changing economic conditions.

Great Britain

At the beginning of the war, Great Britain had a reserve of unemployed workers numbering about a million and a third. But, at the same time, general or local shortages of particular categories of workers (especially skilled workers) were apparent. This situation raised two of the most difficult problems of the country's labour supply policy: (a) the dilution of

skilled labour, and (b) the distribution of the supply of experienced workers.

In general, there was no marked expansion, during the first half-year of war, in the demand for other categories of workers. The hard core of unemployment remained almost untouched until after May 1940. Moreover, the constant flow of men and women away from non-essential activity of all kinds, largely as a result of wartime employment dislocation, balanced and sometimes even exceeded the flow of registered unemployed to employment in war work. Not until the spring of 1940 was there any marked decrease in the unemployment figures.

With the up-swing in the demand for production workers after May 1940, the Government was granted sweeping powers to mobilise and to distribute all the labour resources of the country, both employed and unemployed. During the summer months, however, it was unnecessary to make much use of these powers. The hard core of unemployment declined steadily: by September, the Minister of Labour noted that it had been reduced "to well below the 100,000 mark".¹ In addition, there was a constant decrease in able-bodied adult workers on the registers of the employment exchanges as the industrial side of the war effort expanded at an increasingly rapid pace, absorbing persons released by indirect measures limiting non-essential economic activity. Further decline in the unemployed was the result of the absorption of larger numbers of women and young people into training courses.

By the end of 1940, a tremendous increase in the labour demand for war industries was foreseen. Anticipated demand was so large that the Government began to fear that the unemployed workers still available and the more or less spontaneous flow of workers from non-essential industries and from non-wage-earning employment would not suffice to satisfy the requirements of war industries. Consequently, early in 1941, the Government put into effect new measures designed on the one hand to stabilise the supply of labour for war industries, and on the other, to mobilise the labour force not engaged on activity related to the war and to place such workers, as required, at the disposal of essential industries or services.

DILUTION OF SKILLED LABOUR

The dilution of skilled labour has been one of the most difficult and one of the most important questions in the whole field of labour supply in Great Britain. The Select Committee on

¹ Speech to the Works Management Association. *Ministry of Labour Gazette*, Oct. 1940, p. 261.

National Expenditure summarised the major difficulties in December 1940, stating:

The main obstacle to the abolition of excessive overtime is the shortage of labour, especially skilled labour. The remedy for this is dilution and training. At the beginning of the war an agreement for dilution was arrived at between the employers and the Unions, but for a long time progress was very slow, owing to the multitude of safeguards which surrounded it, and also neither employers nor employed were always free from blame. Employers, when they had skilled men, were not, and indeed still are not, keen for them to leave. The Unions, remembering the state of the engineering industry after the last war, were not anxious for the ranks of their workers to be swelled by an influx of men, calling themselves skilled and so qualified for a high rate of wage, who were not in reality up to standard. There was also the problem, as in the last war, of skilled men doing semi-skilled productive work on piece rates, because such work earned better wages.¹

Before the outbreak of war, the shortage of labour in the engineering trades led to some discussion on dilution. An agreement between the Amalgamated Engineering Union and the Allied Employers' National Federation, concluded on 28 August 1939, was intended to provide for "peace-time emergency conditions", and a second agreement, dated 11 September 1939, made this applicable to war conditions. Generally similar agreements, also applying to war conditions, were concluded with the Admiralty and with Imperial Chemicals.²

Based on the principle that substitute labour to do jobs hitherto done by skilled workers can be introduced only where it can be proved that skilled workers are not available and production is thereby prejudiced, the agreements provide for the up-grading of semi-skilled workers and the introduction of additional workers to perform semi-skilled jobs on two conditions: (1) a register of all changes made under the agreement must be kept, and (2) the employer must guarantee that, as and when skilled workers become available, pre-agreement practice will be restored. The procedure for implementing these agreements is:

(a) An application for a change in practice is referred to a local committee representative of the local employers' and workers' engineering associations, and their decision is subject to confirmation by the executive bodies³;

(b) In case of disagreement in the local joint committee, or lack of confirmation by either executive, the matter is referred to the national executive bodies⁴;

¹ SELECT COMMITTEE ON NATIONAL EXPENDITURE: *Third Report*, 1940-1941 Session. (A report of the Sub-Committee on Supply Services, adopted with amendments by the Committee.) London, 1941.

² The text of these agreements may be found in the Amalgamated Engineering Union's *Monthly Journal*, Oct. 1939.

³ That is, representatives of the Allied Employers' National Federation and the central executive of the Union.

⁴ If approved locally, changes may be put into operation, subject to later confirmation by the executives.

(c) Copies of the registered changes made in this way must be supplied to the locals of employers and workers and to the respective executives;

(d) The agreement as a whole is subject to reconsideration at frequent intervals to ensure that production is not restricted; and it is further stated that the "utmost expedition" should be employed in dealing with all applications for change.

These agreements did not apply to women, since the latter had never been admitted into membership in the Amalgamated Engineering Union. Not until May 1940 was a new agreement reached, covering the employment of women in the engineering trades.¹ Signed by representatives of the Engineering and Allied Employers' Federation, the Amalgamated Engineering Union, the Transport and General Workers' Union, and the National Union of General and Municipal Workers, the agreement provided that women brought into the industry under its terms should be considered as temporarily employed, and that women already employed in the industry on jobs commonly done by women should not be affected by its terms. Women might be employed on work hitherto done by men under the following conditions:

(a) Such women shall serve a period of 8 weeks at the women's national schedule of time rate and bonus;

(b) For a further period of 12 weeks, women workers shall receive wage increases, so that their basic rate is increased by 1/3 of the difference between the national women's rate and the basic rate of the men they replace, and their bonus is increased in the same way;

(c) For a further period of 12 weeks, women workers shall be paid a basic rate equal to 75 per cent. of the rate of the men they replace and a bonus of 75 per cent. of the bonus of those men;

(d) Thereafter, for women who are not able to work without further supervision and assistance, the rate and bonus shall be negotiable and "arranged according to the nature of the work and the ability displayed"; while for women who no longer need additional assistance, the rate and bonus are equal, at the end of 32 weeks, to the basic rate and bonus established for the men whom they are replacing;

(e) Any woman who enters the industry fully qualified to perform, without further training, work previously recognised as done by men shall be paid the rate and bonus appropriate to the male labour replaced.

Women workers may be employed as temporary war workers, on work normally done by women, in establishments where

¹ *Ministry of Labour Gazette*, June 1940, p. 159.

women have not hitherto been employed; and they may also be employed on work generally done by young men under 21 years of age (other than apprentices).¹ In the first case, they are paid the women's basic rate and bonus, and in the second, either that or the schedule of wages for young men under 21 —whichever is the greater. In both cases, records of changes effected are to be kept. If there is a dispute as to the operation of any part of this agreement, procedure is routed through the local committees, except that, if local accord cannot be obtained, the matter is referred to a special central conference.

One further agreement regarding the training and placement of both men and women in the engineering industry was reached in November 1940, and is intended to facilitate to a still greater extent the absorption of less skilled workers in munitions jobs.

With regard to the dilution of skilled labour in the transport industry, the principle of the rate for the job and not by sex was finally established, at the insistence of the Transport and General Workers' Union, as the result of an award of the Industrial Court.² The National Arbitration Tribunal also made an award which recognised the same principle regarding the use of substitute women workers in the printing industry, and arrangements for dilution have also been made in chemicals, flour milling, electrical supply and a considerable number of other lines of activity.³

The original agreement regarding dilution in the engineering trades did little more, in fact, than define the conditions under which dilution might be discussed by employers and workers in the trade concerned. During the first months of the war, negotiations under this agreement and negotiations concerning dilution in other trades had been slow, owing partly to the Unions' irritation over the alleged misuse of the talents of highly skilled workers.⁴ But with the deepening of national emergency and the recognition of the important role

¹ Except that the phrase "other than apprentices" was not included in the agreement signed by the A.E.U.

² The Award provides that adult women hired as bus conductors should receive not less than 90% of the male beginning wage for the first 6 months, and thereafter the pay and increments applicable to male conductors. Conditions of employment were to be the same, save that the guaranteed week might be 40 rather than 48 hours, with male overtime rates.

³ Information regarding the progress of dilution can be obtained from *Labour* (the official magazine of the Trades Union Congress) and from *The Daily Herald*, and in particular from the trade journals of the various industries concerned.

⁴ John PRICE: *op. cit.*, p. 73. The March 1940 issue of the A.E.U. *Monthly Journal* also comments on the labour situation in the engineering industry.

of organised labour in the war, negotiations have been greatly accelerated in the months since May 1940. The report of the Select Committee on National Expenditure summarises the position at the end of 1940, stating:

The Sub-Committee are glad to note that the situation is improving, and that the movement towards a graded system of dilution is increasing. More women workers are being taken on; but the Sub-Committee consider that there should be a continued drive to attain the maximum dilution of labour. This really involves a system of grading engineers into categories based on skill and qualifications, so that the worker is, as far as possible, contributing his highest skill. They are aware that employers are apt to object to too great a scaling down of standards, and that many consider that they have too few skilled workers already.¹ . . . Although there is a shortage of skilled workers in many factories, there may be too many in others. The Sub-Committee would again urge, therefore, that the compulsory powers of the movement of labour should, if necessary, be fearlessly used.

This raises a second important question of labour supply policy—the distribution of experienced workers.

DISTRIBUTION OF EXPERIENCED WORKERS

Both inter-local and inter-occupational transference of labour (and particularly of skilled labour) are necessary to meet the far-reaching changes in the location and character of industrial activity in wartime. Before the war, transference of labour was designed primarily to relieve the problem of hard-core unemployment in depressed areas. Now, it is designed to meet acute local labour shortages, particularly of certain types of skilled workers. Moreover, employed as well as unemployed workers must be induced to move from one occupation to another, from one firm to another, and from one district to another. As the problem became acute in May 1940, the Minister of Labour was granted power to move any person anywhere in the United Kingdom to perform specified services of national importance.

In order to assist in carrying out these powers and in determining the best use for the nation's man-power, the Minister of Labour set up under his own chairmanship, in June 1940, a Labour Supply Board. Regional, and, in important areas, local labour supply committees have been established to deal with regional and local problems of employment organisation.² In addition, over 400 Inspectors of Labour Supply, all

¹ "They were informed in evidence in March that the proportion of skilled workers in the engineering industry was about 38 per cent. of the total number of workers. On the other hand, at one factory they visited they were told that 50 per cent. of the employees were skilled. At first sight, therefore, it would appear that there was at that time too great a proportion, although they realise that it is not possible in an industry so varied as the engineering industry to lay down any hard and fast rules." (*SELECT COMMITTEE ON NATIONAL EXPENDITURE, Third Report, 1940-1941 Session.*)

² Additional details of this organisation may be found in chapter VII: *Organisation* (Great Britain).

of whom are people with practical working knowledge of industry and labour, are engaged in reviewing labour requirements and seeing that labour, particularly skilled labour, is used to best advantage in the war effort.

To date, however, these far-reaching powers of the Minister and of his representatives have been exercised largely by persuasion and negotiation rather than by compulsion. Most transference of labour has been handled through agreements of the Ministry of Labour with employers and workers in particular industries.

Early in the war, the problem of ensuring an adequate and mobile supply of dock labour came to the fore. An agreement was concluded between the Government and the employers and workers in the port transport industry, providing for the temporary transfer of dock labour, on a voluntary basis, in order to supplement labour at ports where the local supply of registered dock workers is inadequate for purposes of dealing with the additional traffic caused by the diversion of shipping.¹ Arrangements for transferring workers are in the hands of local Port Labour Joint Committees, in consultation with the Ministry of Labour and the employment exchanges. In general, no worker is transferred unless there is a prospect of his being required at the new port for at least six days. The Government provides travelling allowances, guarantees minimum wages, and grants specified additional allowances to workers transferred. Owing to the intensification of air-raids and an increasing shortage of dock workers, the Dock Labour (Compulsory Registration) Order was issued in June 1940. This Order makes it compulsory for employers in the industry to be party to an approved port registration scheme and for workers to obtain employment only in accordance with the scheme. Four regions are established, each one under a Port Labour Inspector, vested with power to direct any person to perform any specified services at any place in the country. All dock workers are regarded as available for work in any port in the region, and, if necessary, they may be transferred from one region to another.²

In the ship-building industry, as well, local joint committees have been established to seek out volunteers (whether

¹ A scheme for dock labour had been under consideration since February 1939; the dockers agreed to co-operate provided that the scheme was kept on a civilian basis.

² *Ministry of Labour Gazette*, July 1940, p. 206. A new scheme came into effect in 1941, introducing a complete de-casualisation of dock labour. Dock workers, who are guaranteed a weekly wage, now comprise a pool of labour, and must report each day to a control point. Employers needing men make requisitions on the pool of labour, and the port labour inspector allocates men to the jobs in accordance with the relative urgency of the requirements.

employed or unemployed) who would be willing, at short notice, to take up vital work in the industry in another part of the country.¹ Furthermore, if ship-building cannot be carried out in one district, the agreement provides that the workers affected may be transferred to other districts "where their services will continue to be employed in the national interest". Workers transferred are required to stay in the new district for as long as they are needed.² They receive the rates of pay and other conditions of employment prevailing in the district; and in arranging transfers, "due regard will be had to the rates of wages and conditions of employment prevailing in the different districts". Allowances for transportation costs and travelling time are paid by the Ministry, and suitable lodging or accommodation is arranged for the men in the district to which they are transferred.³ On 9 March 1941, it was announced that the First Lord of the Admiralty was to become responsible for seeing that the most efficient use is made of labour in the ship-building industry.⁴ He is assisted by an industry committee of employers and workers. Local control executives are responsible for the allocation of labour within the district and also for its transfer from one district to another. The Essential Work (Ship-building and Ship-repairing) Order, already mentioned in Chapter II, stabilises the supply of workers available for the industry by controlling engagements, dismissals, and voluntary leavings of employment.⁵

In the cotton industry, area committees were set up early in the war to arrange for the transfer of operatives to mills adapted for Government work; later, when the supply of cotton became exceedingly scarce, action was taken to transfer larger numbers of these workers to other employments. A number of printing trade operatives have been transferred to munitions work. Arrangements were made, in late 1940, to transfer unemployed coal miners to other districts, and the Secretary of the Mines Department appealed for volunteers for transfer to other areas and to other work. In the boot and

¹ The choice of volunteers and the arrangements for transfer are carried out through the employment exchange machinery.

² Applications to return home may be considered by local joint committees, however, and if approved, travelling expenses and time are paid.

³ *Ministry of Labour Gazette*, Oct. 1940, p. 264. Moreover, men with dependants who maintain a home in the district from which they have been transferred receive a special allowance from the Ministry of Labour for each night for so long as they are retained in the new district.

⁴ The Minister of Labour retains the responsibility for labour supply from outside the industry.

⁵ It has been proposed that the Government introduce additional measures of this kind to control the allocation and utilisation of workers in the building industry, and in other industries where the shortage of experienced workers is particularly acute.

shoe industry and in the hosiery industry as well, workers have been transferred to munitions work.¹ These instances are merely examples of a movement of transference of workers from non-essential to essential work which is wide-spread but for which, naturally, figures are not available at present. In cases where transference is not only to another firm or to another employment but also to another area, for work of national importance, the Ministry of Labour pays lodging allowances and travelling expenses, and, in some cases, special family allowances or "settling in" grants. These arrangements do not prevail where it is the practice, by custom or agreement, for the employer to make such payments.

In August 1940, with a growing demand for trained munitions workers, the Minister of Labour issued compulsory registration orders applying to all men in certain occupations (mainly engineering) in which there was or was likely to be a shortage of skilled labour, except those in which workers were known to be wholly engaged on Government work.² The registers have been used as the basis for the transfer of these workers, if and as required, for war work. The Minister stated that if employers who needed labour were unable to find it, the employment exchanges would supply them with additional workers through transference. All questions of transfer have been examined individually, however, in the light of the relative importance of the work in which an affected worker is engaged and the work for which he is required elsewhere. Registration does not, therefore, imply transfer; it merely puts the Ministry in a position to use every skilled man to best advantage in essential war work.

These various measures are supplementary to constant appeals of the Minister of Labour for the transfer of labour (and of skilled labour, in particular) to employment of war importance. Employers with more than their share of skilled labour have been requested to release workers, temporarily or permanently, for service on other war work. All employers engaged on the production of munitions have been urged to notify an employment exchange whenever it is anticipated that ten or more of their workers will be on idle time, suspended, or discharged. "The most effective use of the available reserve of labour is absolutely necessary to promote the greater efficiency of the war effort, and the Minister hopes that all employ-

¹ In the Leicestershire hosiery industry, an advisory committee of representatives of employers and workers has already worked out methods for dealing with the voluntary transfer of women from hosiery to munitions work. Volunteers for transference are requested to register with their employers and remain at work until they are called upon to move to more vital jobs. At the same time, a census of women workers in the industry was taken and the quota to be supplied from each factory was worked out. (*Bulletins from Britain*, No. 35, 30 April 1941.)

² *The Industrial Registration Order*, 1940, S. R. and O., 1940, No. 1459; and *The Specified Classes of Persons (Registration) (No. 2) Order*, S. R. and O., 1940, No. 1293.

ers concerned will co-operate", a leaflet of the Ministry stated last August.¹ All skilled workers have been urged to register and to place themselves at the disposal of the Government, ready to go where most needed. Unemployed workers with training useful to essential industries have been urged to register immediately and to accept useful employment in any part other foreign countries.

Finally, transference of labour resources from non-essential to essential industries has been effected by indirect measures such as taxation, controls over imports, rationing of raw materials, limitation of supply orders², and the concentration of production in "nucleus" firms. The method is, as Lord Moyne put it rather vividly, to use the non-essential industries as a kind of sponge from which men can be squeezed out as they are required for war industries or for the armed forces.³

Although many of these measures had been in force during 1940, the most far-reaching plans of industrial consolidation to promote curtailment of non-essential activity were announced in early 1941. The principle of the new plan is that, instead of the reduced output resultant from various Government measures to cut down non-essential production being spread over any industry as a whole, so that many firms work at one-half or one-third of capacity, production will be concentrated in a group of "nucleus" firms which will all work full time. The other firms will be closed down for the duration of the war, and their workers and, where possible, their machinery will be transferred to munitions work or to the army. In some cases, establishments may be used to provide emergency training for war workers. The scheme is being carried out under the control of the Board of Trade, in collaboration with an enlarged Industrial and Export Council. Decisions as to which firms are to constitute the "nucleus" firms, however, will be made largely as a result of intra-industry discussions.⁴ At the same time, where groups of firms are not able to reach agreement and to carry through concentration, the Govern-

¹ MINISTRY OF LABOUR AND NATIONAL SERVICE: Leaflet issued in August 1940 (otherwise undated).

² The Limitation of Supply Orders, which set maximum quotas for the sale of a wide list of consumption goods, were expected to cause the release of nearly 100,000 workers by May 1941, excluding the number released before the restrictions were made more severe in December 1940. (Statement of Mr. Greenwood, quoted in *The Economist*, 7 Dec. 1940, p. 694.)

³ Statement in the House of Lords, 12 Feb. 1941.

⁴ The Board of Trade, in co-operation with the Ministry of Labour, has opened discussions with representatives of employers and workers about the degree of concentration of production necessary and other matters. The Government will facilitate concentration by granting, to groups of undertakings which fulfill the necessary conditions, special help to safeguard their requirements of labour and of raw materials. (Statement of the President of the Board of Trade, Mr. Lyttleton, in the House of Commons, 4 March 1941.)

ment is prepared to impose the reorganisation which circumstances require. It is estimated that the number of workers released from non-essential work by the scheme will total from 250,000 to 500,000. Industries affected will be hosiery, wool and cotton textiles, boots and shoes, pottery, cutlery, and all luxury trades, since these industries provide the main sources of factory-trained labour for munitions. In closing down plants, account will be taken not only of their relative efficiency in production but also of their geographical location in relation to the unsatisfied or growing demand for war workers. The Ministry of Labour is to keep a record of transferred workers to enable these workers, where possible, to resume their old work after the war. However, workers affected do not receive compensation of any kind for the loss of their jobs, nor is there any statutory obligation on employers to reinstate them after the war, since the scheme is expected to have permanent effects on the structure of the different industries.¹

All these various indirect measures of transfer are gradually being co-ordinated with schemes for training and for the dilution of labour, to ensure that they do not bring with them periods of "migratory" unemployment.² The Minister of Labour is giving constant attention to the attaining of a high degree of synchronisation between the contraction of peace-time industries and the expansion of war industries.

The important task of allocating these workers, particularly those among them who are skilled, to employment of national importance is carried out largely by the employment exchanges and the Inspectors of Labour Supply. The actual utilisation of the services of experienced workers is recognised to be a matter of the greatest importance, not only because it is essential to make the most of the services of the limited supply of skilled workers but also because it has a direct effect on the attitude of the trade unions towards dilution and towards the whole question of industrial mobilisation. As late as February 1941, the official magazine of the Trades Union Congress stated editorially: "The General Council are not satisfied . . . that the skill and energy of the workers at present engaged in vital war industries is being used to the best advantage at the present time. There have been too many complaints of under-employment and short-time in these industries

¹ Statement of the President of the Board of Trade in the House of Commons, 4 March 1941. Labour Research Department, *L.R.D. Fact Service*, 13 March 1941.

² In November 1940, *The Economist* criticised these different measures stating: "None of them ensures that the expected numbers actually are put on the labour market; few of them ensure that the labour made available is of the type required; none of them ensures that the labour set free, even if it is suitable, is actually re-absorbed." (9 Nov. 1940, p. 571.) Since November, considerable progress has been made towards co-ordinating the contraction of non-essential activity with the expansion of essential activity.

to warrant any easy acquiescence in the extension of industrial compulsion, unless the maximum output can be obtained from those already engaged in the industries concerned."¹

MOBILISATION OF LABOUR RESERVES

Absorption of the Unemployed.

The absorption of unemployed labour power into essential industry is closely bound up with schemes for the dilution of skilled workers, training and up-grading, transfer, and the limitation of non-essential industrial activity. In addition, Great Britain has restricted, to some extent, the freedom of an unemployed worker to refuse employment offered by an employment exchange. Theoretically, the Minister of Labour has power, under emergency defence regulations of May 1940², to compel any unemployed worker to accept any particular job; in practice, no severe restrictions on his right of choice appear to have been imposed. In general, the Government has tried not to abridge an unemployed worker's peace-time right to exercise a certain amount of choice regarding employment which he is compelled to accept under penalty of forfeiting his rights to benefit or assistance. It has relied primarily on persuading him to register as available for useful employment, wherever that might lie, or to undergo training to fit him for such employment.

The definition of "suitable employment" which must be accepted by an insured unemployed worker receiving benefit was extended in July 1940, however, to include work certified to be of national importance.³ Such work, provided that it is on standard rates and conditions, is not deemed unsuitable merely because the worker has previously had better working conditions, or, if he has been unemployed for a fortnight or more, because the job is not in his usual occupation. Modifications were also made in the conditions of eligibility for training, with a view to facilitating the absorption of unemployed workers. Women as well as men are accepted in centres and Technical Colleges and the minimum age limit has been reduced (16 for boys and 18 for girls), while the former maximum age limit has been abolished for training in Government centres. Moreover, the change in principle of payments to trainees and the increased rate of payment were adopted, at the end of March 1941, partly to increase the attractiveness of training to the unemployed (as well as the employed), with the realisation that most of them need at least a short course of training before they can take up war jobs.

¹ *Labour*, Feb. 1941, p. 740.

² See Chapter II (Great Britain).

³ *The Unemployment Insurance Emergency Powers (Amendment) (No. 2) Regulations*, 1940, dated 5 July 1940.

Gradually, detailed analyses have been made of the various categories of unemployed workers, and intensive efforts have been made by the employment exchanges to place employable unemployed persons in jobs useful to the war or to provide them with necessary training. In October 1940, the Minister of Labour disclosed that a survey of 300,000 unemployed had led to the placement of 200,000 of them.¹ Studies of unemployed workers in particular industries have been made almost wholly by local panels of employers and workers, with the assistance of the placement service. Particular attention was given to the long-term unemployed and to their classification as either unsuitable for ordinary industrial employment, fit for such employment, or in need of a period of trial unemployed who are not capable of work for one reason or another are now being carried out by the panels, and are being extended to include workers who have had less than four weeks' employment in the preceding four months. Men considered suitable for various forms of light work are to be classified separately. It is hoped that such persons can be placed in employment so as to release workers whose services can be better used in other essential work.²

An analysis of the unemployed in November 1940 indicated that nearly 43 per cent. had been on the registers for less than two weeks while over 53 per cent. had been unemployed for less than four weeks. Adding to this the large percentage of unemployed who are not capable of work for one reason or another, it is clear (*a*) that long-term unemployment was markedly reduced during the first year of war and (*b*) that much of the present unemployment is "migratory" unemployment caused by the migration of workers from non-essential to essential activity, with a brief interval of unemployment between one job and the next.

Women.

The absorption of women into war work has been largely conditioned by the progress of negotiations for the dilution of skilled labour and for training already described. Since May 1940, ever-increasing numbers of women have come forward to swell the ranks of workers available for essential industries and services. More are still needed, however. In November 1940, the Minister of Labour said that 500,000 women munitions workers were needed. He asked the local panels then investigating unemployment to study with special attention the whole question of the employment of large numbers of women in war work. Women were admitted, at about the same time, to Government training centres organised to pro-

¹ *The Times*, 12 Oct. 1940.

² Panels were also asked to give special consideration to recruits for training drawn from among the unemployed.

vide basic instruction for semi-skilled employments in munitions industries; all forms of training were thus opened to them.

In January 1941, the Prime Minister and the Minister of Labour both warned of the stringency of labour and urged additional women to fit themselves for munitions work. In April 1941, a compulsory national registration of women twenty and twenty-one years old, affecting about 800,000 women, was carried out.¹ It will be followed by registrations of other age groups at suitable intervals. Registrants are graded according to qualifications, and registers of those available for war work (locally or willing to transfer) will be compiled, ready to be used as required by national circumstances. Compulsion will not necessarily accompany the employment of these young women. The voluntary principle will continue to play the largest possible role in the mobilisation of the country's woman-power for war work. Only if and when voluntary action and voluntary direction by placement officers is insufficient to meet urgent requirements will the compulsory powers of the Minister of Labour be exercised.

One factor which has retarded the employment of women in war work has been the unwillingness of many employers to employ women in large numbers. There has been, according to *The Economist*, an "enormous wastage" in war factories because no adjustments have been made in their methods and facilities to meet the needs of women workers.² The Minister of Labour and National Service told the House of Commons on 2 April 1941 that "one of my great troubles in getting women into industry is that of management".³ Now, however, the relaxations of the Schedule of Reserved Occupations are forcing employers to make the utmost possible substitution of women for men, and it stands to reason that the necessary changes in working methods and facilities will follow with more rapidity.

Foreign Workers.

During the first months of war, little use was made of the services of well-disposed persons of foreign nationality resident in Great Britain. Only a few key workers and specialists in essential industries had been granted employment permits, on condition that they had been engaged on essential work and were still needed on such work.

¹ The registration was carried out under the Registration for Employment Order. Ministry of Labour and National Service, Release of 17 March 1941. See chapter V: Information, Great Britain.

² *The Economist* (London), 22 March 1941, p. 365.

³ He added that a manual of advice on dealing with the problems of the employment of women workers had been prepared and circulated to every plant in the country.

After May 1940, large numbers of men and women from countries defeated or occupied by Germany sought refuge in Great Britain and were anxious to further the Allied war effort. As a result of problems connected with the absorption of this additional labour reserve, the Minister of Labour announced, in August 1940, the establishment, within the Employment Department of the Ministry, of an International Labour Branch charged with obtaining full knowledge of aliens available for employment and seeking suitable employment for them. The scheme covers roughly 23,000 Belgians, 10,000 Poles, 8,000 Czechs and 2,000 Norwegians, all excluding seamen. Recent months have witnessed considerable progress in making the services of this reserve of workers available to Great Britain's industries and services. During the six months ended in March 1941, the average number of employment permits issued to foreign workers has been 3,000 per month. One condition of the placement of foreign workers is that their wages and conditions of employment should be the same as those of British nationals. So far as possible, these workers are placed at work by national groups, to prevent any feeling of isolation and other difficulties. Members of the International Labour Force have been placed in repair and reconditioning work, in forestry, in rope work, in engineering and aircraft employments, in diamond cutting and polishing, and in various other industries and occupations. Moreover, foreign workers, both men and women, are now admitted into Government centres for training in war occupations.¹

General Measures of Mobilisation.

At the end of 1940, however, it was apparent that a problem of national importance which had not yet been solved by the preceding measures was the question of the mobility of the national labour force. The Select Committee on National Expenditure reported in December "a standstill of labour, particularly of skilled men", arousing complaints from Government Departments and private employers alike. "The reason for this" it suggests, "appears to be that the Ministry of Labour are only using their compulsory powers to a very minor extent. It is their policy to proceed by agreement and the instructions given to their local inspectors are that they are only to use their full powers if absolutely necessary. The Sub-Committee (on Supply Services) concur that agreement, if it is possible, is better than compulsion, but they consider that care should be observed that undue delicacy in this matter

¹ INTERNATIONAL LABOUR OFFICE: *The Labour Situation in Great Britain* (1940); Communication from the London Office of the I.L.O. A special central register has been opened for foreign professional and technical workers.

should not be allowed to cause unnecessary and harmful delay in getting maximum production."¹

At the same time, there was growing concern over the inadequacy of the available labour supply to meet the tremendous labour demands forecast for 1941. More men were needed for the fighting forces, more men and women for civil defence services, and more workers for war and other essential industries and services.

Recently, therefore, plans for a more general mobilisation of the man and woman power of the country and for the transference of workers to areas and to jobs where their services are most urgently required have been perfected, discussed by the representatives of employers and workers, and approved by them in principle and in practical detail. They are designed to assure the labour supply necessary for essential industries and to mobilise the remaining reserves throughout the country. While the Essential Work Order, described in chapter II, introduces controls over leavings and dismissals of workers in employments of national importance, the Registration for Employment Order brings into force compulsory registration for specified classes of the population in an attempt to discover the labour reserves which might be placed at the disposal of essential industries as required in the national interest.

The latter Order, issued on 17 March 1941, requires individuals of both sexes to register for employment by areas or by age groups, nationally or regionally, as the Minister of Labour may decide. Both employed and unemployed persons are to register. For persons already in employment, the primary question is whether they might be more usefully employed elsewhere. By the registration, a complete census of the labour supply available for war industries, classified as circumstances require, is made available and can be utilised for determining the most effective allocation of the country's human resources. Registration is followed by a selection interview, at which the placement officers and the registrant try to reach agreement as to the work of national importance which the latter should perform. So far as is compatible with the national interest, freedom of choice as to the specific type of war work to be undertaken is allowed each registrant.

It is not clear how much compulsion will actually accompany these measures; but it is clear that, in any case, as much voluntary co-operation as possible will accompany any direct forms of pressure adopted. Taken in conjunction with all previous measures, the Orders make possible comprehensive mobilisation and effective distribution of the national labour reserves. Taken in conjunction with the scheme for the con-

¹ THE SELECT COMMITTEE ON NATIONAL EXPENDITURE: *Third Report*, Session 1940-1941. Ordered by the House of Commons to be printed, Dec. 1940 (London, 1941).

centration of production, they indicate that the Government is now determined to carry out a large-scale mobilisation and redistribution of the country's labour supply.

In brief, the present position is as follows. The legal powers of the Minister of Labour and National Service to control the distribution of human resources are very extensive. He can order a worker to transfer to another job and to another area, to remain in his existing job, or, if unemployed, to take up some specified job. A worker affected by any such order may (within a specified time) appeal to the local Labour Supply Committee, or, lacking such a Committee, to the Divisional Controller, or to any special board established to hear complaints. If his appeal fails, and if he still refuses to concur, the worker can be prosecuted under the Defence Regulations and penalties of a fine of £100 or up to three months' imprisonment may be imposed on him. In actual fact, no industrial workers have been prosecuted in this way, in so far as information is available. Although the scope of compulsion has been extended gradually during the months since May 1940, the co-operative effort of the Government, employers, and trade unions has been the basis of action and little compulsion of any kind has been exercised to assure compliance with the country's labour supply policy. The fact that compulsion may be used if it appears to be required, however, has undoubtedly enlarged the field of action by voluntary agreement.

France

France, as a result of immediate general mobilisation, was confronted from the first days of war with an acute problem of distributing and mobilising the labour reserves of the country. Efforts to place workers experienced in industrial techniques where they would be most useful were necessarily accompanied by efforts to recruit and to place in essential employments all available national labour resources. Owing to the fact that these reserves were inadequate to meet national labour requirements, colonial workers and foreign workers were drawn into the national economy. Thus, from the beginning, measures had to be taken to counter the labour shortage resultant from mobilisation and to supplement the controls over employment and the measures for vocational adjustment described in the preceding chapters.

DISTRIBUTION OF EXPERIENCED WORKERS

Before the outbreak of war, a census had been taken by the labour inspectors of workers in the engineering and metal-working trades, the chemical industries, and in other occupations essential to defence in which a labour shortage was feared. In large part, therefore, the urgent demand of war

factories for additional trained workers was met by transference of many such workers who were employed in non-essential undertakings.

Transference was carried out in several ways. First, it was done voluntarily by the worker concerned, usually (but not always) at the request of an employment office or labour inspector. Second, and more generally, it was done by the method of individual requisitioning previously mentioned.¹ Any man of 18 years or over was liable to be called for individual service in work of importance, and to be requisitioned for such work either temporarily or permanently. In each department, a list of persons liable to be requisitioned individually was kept, and the prefect of the department was responsible for allocating staff to the various public and private undertakings, on the basis of the relative contribution of each establishment to defence production or services. The prefect received instructions from the Minister of Labour, who was responsible for the distribution of the available labour supply. Persons whose services were requisitioned individually were used in accordance with their occupation and skill, or, if so desired, in accordance with their general capabilities. Within each special field, workers were requisitioned with regard to age and family responsibilities—the youngest first, and the age of each worker considered to be increased by two years for each child maintained by him. Each requisition order indicated the nature of the services required of the worker, their probable duration, the date at which he should report for work, and whether or not he could live near the place of employment.

In towns and other important localities, artisans and craftsmen were also affected by requisition orders and placed in national defence establishments. In rural areas, however, no general requisition of artisans and craftsmen took place, since there was already a shortage of such persons in the country; but their services were made available for defence work by "farming out" certain operations of defence establishments either directly to these craftsmen or for distribution to them through their associations and co-operatives.

Moreover, one of the functions of the labour inspection service in France was to ensure the best utilisation of the existing labour supply. The inspectors investigated each plant to see whether its labour force was economically and wisely used, made suggestions concerning its use, and, if necessary, proposed the transfer of some workers to another plant where the need for their services was greater.

The existing labour supply for essential war industries was further assured by the system of collective requisitioning, whereby all the workers and managerial staff of any enterprise or service working for the national defence was requi-

sitioned as a unit. No man or woman in any requisitioned undertaking could change his or her employment at will, as was noted in chapter II. Orders of 24 and 31 August 1939 requisitioned collectively the staffs of private factories engaged in work for the military, naval or air authorities or which were in receipt of orders or sub-contracts or manufacturing advices from a Government Ministry, and the personnel of factories engaged in the protection of stores of hydrocarbons.

MOBILISATION OF LABOUR RESERVES

The labour reserves of France which could be mobilised for war work consisted of the unemployed, women, a part of the rural population, colonial workers, and foreign workers resident in France.

Unemployed Workers.

There were over 300,000 unemployed in the country after the war broke out, but of this total it was estimated that only 130,000 or so were employable, the remainder being either too old or unfit for work. The great majority of the employable unemployed were in need of training or retraining to fit them for munitions employments, and measures to provide this training have already been described. In addition, however, the rolls of the employment offices were scanned and any qualified metal workers or chemical workers were quickly requisitioned individually for work in essential factories, while other unemployed workers were requisitioned and placed in munitions work as general labourers, with a view to their acquiring some degree of specialisation by experience. The labour inspectors were also charged with recruiting, from among the unemployed, those workers who could assist in defence production in some way.

Women Workers.

The French Government counted heavily on the influx of large numbers of women workers to assist in the maintenance and expansion of war industries. Early in the war, therefore, an appeal was issued, urging women to replace men called away by mobilisation and making a special demand for women rivetters and others with experience as screw-cutters, millers, drillers, etc. Women workers who had not yet voluntarily offered their services as war workers were asked to apply at once to an employment office.¹ Employers in the metal

¹ A Decree of 5 January 1939 provided that women under certain conditions could enrol to work for a minimum period of one year (but not after hostilities ended) in an undertaking of national importance. An official list specified the functions or employments in which enrolment might be accepted, and the person enrolled indicated the capacity in which she wished to serve.

industry had already made a study of their plants in order to ascertain which jobs could be filled by basically trained or by inexperienced women workers.

Although women could be requisitioned collectively if the undertaking in which they were employed was requisitioned and although they could offer their services voluntarily for war work, they could not be requisitioned individually as could men. Moreover, some employers continued to be unwilling to accept women as workers and there was no legal way by which they could be forced to do so. A Decree of 28 February 1940, therefore, provided that in certain occupations, administrations, and undertakings (to be specified), the employment of women workers (the proportion to be specified) was to be made compulsory for the duration of the war. Male workers thus displaced were to be routed, as a rule, to other employment (usually more skilled) in defence industries. By an Order of 28 March, this Decree was applied to establishments holding contracts for national defence requirements or executing orders or sub-orders for war Ministries. In factories designated by the labour inspector, in agreement with the mobilisation services, a percentage of new engagements in certain posts must be compulsorily reserved for women.¹ For each class of employment, an attached schedule showed the operations covered, the compulsory proportion of female labour that might be imposed (50-90 per cent., usually), and the average time for training (ranging, as a rule, from a week to three months). The classes of employment related largely to the engineering trades; a few concerned the chemical industries, transport and handling of goods, and other miscellaneous industries. The engagement of women workers entailed, under the Order, the withdrawal of male workers and the systematic up-grading of such workers. The labour inspector himself fixed the proportion of female labour required, and the obligation to reserve part or all of new engagements for women continued until the establishment was employing, in the specified occupations, the percentage of women imposed on it. If any employer failed to employ the specified percentage of female labour, male workers, including those supplied to him by the mobilisation services, might be withdrawn from his undertaking.

Rural Workers and Craftsmen.

With the outbreak of war, there was a large scale exodus of the rural population, many persons heading for industrial

¹ In designating establishments, the inspector had to take into account (a) the nature of the product; (b) the state of equipment; (c) the condition of the employment market and available women workers; and (d) the efforts already made by the manufacturers concerned to employ female labour.

employments which were available because of the depletion of the labour supply of defence industries by mobilisation. In several months, this movement had become so extensive that it endangered the maintenance of all forms of agricultural production. Thus, many trained agriculturists were urged to return to rural areas, and only those who could show that they were not essential for purposes of agriculture or rural crafts were retained in war industries. The final step, as has already been mentioned, was the requisitioning of agriculturists of all kinds and all rural craftsmen, in order to prevent any further depletion of the rural population of the country.¹

Colonial Workers.

With limited national labour reserves, it was expected that great numbers of colonial workers would be brought over to work in France (just as they had been during the war of 1914-1918), despite the fact that their transportation and acclimatisation was not an easy matter. In general, most of these workers could not easily be employed in skilled jobs in industry, although some could be employed on specialised operations; but many could be of great assistance in agriculture, and as labourers in blast furnaces and in iron and steel foundries. They were employed on their future jobs almost from the start, with a short period of training and orientation carried out on the job itself, as a rule. A special service of the Ministry of Labour was responsible for the recruitment, distribution, and utilisation of colonial workers, and for the regulation of their conditions of work. Plans for the utilisation of the services of colonial workers were extensive but relatively little practical action had been taken before May 1940.

Foreign Workers.

Nearly 1,300,000 foreign workers were living in France when war broke out. Many of them were already employed in agriculture and could not therefore be considered available for industrial employment in war work, and others of them were called for military service by their own Governments. In addition, refugees of many nationalities (particularly Spanish) enlarged the reserve of foreign workers at the disposal of the French Government. In order to facilitate the placement of foreign workers, regulations were issued removing quota restrictions on the employment of such workers in all industries where such quotas had been imposed, and the Ministry of Labour was empowered to define the conditions under which foreign workers might be employed for national defence work. A special service of the Ministry was responsible for the selection, distribution, and utilisation of the services of foreign workers, including refugees. Refugees and aliens without

¹ See chapter II, France.

nationality whose services were needed could be called up, just as were nationals, by individual or collective requisitioning, or they could volunteer their services. Under these various regulations, many foreign technicians, skilled workers, and agriculturists were placed in employment useful to the economic conduct of the war.

Germany

When Germany adopted the Four-Year Plan in 1936, the reserves of unemployed workers totalled over a million. At the same time, a shortage of labour was becoming apparent in certain sectors of the national economy, especially in the metal-working and building industries. An account was given in the preceding chapter of the measures taken to develop vocational training as a means of meeting the shortage. Besides these measures, there has been a systematic redistribution of available skilled workers in order to ensure that they would be placed in or transferred to the jobs where they would be most needed for the execution of the production programme.

The rapid expansion of national defence industries, facilitated by the increase in the number of skilled workers, soon led to a growing demand for workers of less skill, and thus to the more speedy absorption of the rest of the unemployed. In spite of the large number of workers who became available for employment in war industries as a result of the curtailment of non-essential activity from 1936 to 1939, owing to the application of the Four-Year Plan, the number of unemployed fell steadily from 1,035,237 in September 1936 to 459,063 in September 1937 and to 155,996 in September 1938. By that date the labour shortage, which had been confined at first to skilled workers in the metal-working and building industries, had become so general that action was necessary to increase the total volume of labour and to place the whole able-bodied population at the disposal of the authorities for carrying out the urgent tasks entailed by the Government's political and economic programme. This mobilisation of the civil population was in full swing before September 1939. No supplementary measures of importance were needed to cope with the situation created by the actual outbreak of hostilities.

The first months of war were characterised by some dislocation of employment. The number of unemployed, which was 62,000 just before the outbreak of hostilities, increased up to January 1940, when it reached the figure of 237,000. Short time became fairly general in consumption industries. But by making extensive use of their existing powers, the authorities managed to keep the dislocation within fairly narrow limits and carried out a rapid mobilisation and redistribution of available resources, for the purpose, among other things, of replacing at least part of the men called to the colours. In view of

the scarcity of skilled workers, the utilisation of these workers in the factories was controlled still more strictly. Further, in order to supplement the national labour supply, which had already been drawn on heavily before the war began, Germany made increasing use of the labour of its prisoners of war and of workers in the territories occupied by its armies and in other foreign countries.

A brief account is given in the following pages of the measures adopted in Germany: (1) to distribute available skilled workers in accordance with requirements; (2) to mobilise the reserves of German labour; (3) to supplement these reserves by prisoners of war and foreign workers.

DISTRIBUTION OF EXPERIENCED WORKERS

The redistribution of skilled workers was undertaken in Germany as soon as the Four-Year Plan was put into operation. Since it was impossible to satisfy the immediate demand for skilled labour by the employment of unemployed persons registered with the employment offices, and since it would take time for vocational training to produce additional trained workers, the authorities began an immediate search for those skilled workers who, during the depression and the subsequent period of rapid absorption of unemployment, had entered employments not closely corresponding to their skills. Moreover, they took action to economise in the use of the more skilled workers by replacing them by less skilled workers wherever this could be done.

An Order of 7 November 1936 concerning the application of the Four-Year Plan made it compulsory for all industrial employers, irrespective of the size and nature of their undertakings, who had employed skilled metal workers or building workers for two weeks entirely or mainly on jobs not in accordance with their vocational training to place these workers at the disposal of the employment office for employment elsewhere. If the employment office was able to offer the worker a post in another undertaking more suited to his skill, the worker was entitled, with the consent of the employment office, to terminate his contract of employment without notice.

Although this measure was confined at first to skilled workers in the metal and building industries, it was gradually extended to every worker in employment outside his ordinary occupation. Thus, when it was found necessary towards the end of 1938 to increase coal production to the utmost, all former miners working in other branches of activity (except agriculture) were ordered to return to the mining industry. In April 1939 the employment offices were instructed to see to it that every worker employed outside his occupation (*Berufsfremden*) was directed to more appropriate activity (*zweckvoller Arbeitseinsatz*). By that time the employment offices

had been given the necessary powers to make such transfers as they considered desirable, in virtue of the Labour Requisitioning Act which will be analysed below.

Lastly, soon after the outbreak of hostilities steps were taken to ensure not only that skilled workers were employed in accordance with their qualifications, but that the number of skilled workers so employed should be reduced to a minimum in each undertaking. The basic regulations on this question are contained in an Order issued by the Commissioner for the Four-Year Plan on 28 September 1939. This provided that undertakings which, in view of the kind and extent of their orders, could release skilled workers, must immediately inform the employment offices to this effect; that in undertakings in which there was a demand for additional labour the demand must be reduced to a minimum; and that employers must energetically undertake the retraining of persons hitherto engaged in other occupations, and of women. Moreover, the Minister of Labour could require employers to take on additional workers for purposes of training. Special boards were to be appointed by the Minister to study on the spot the extent to which the Order had been applied.

The boards so appointed have in fact exercised continuous supervision over the relationship between the orders to be fulfilled by an undertaking and the corresponding changes in the number of its workers. They noted in certain cases that employers whose orders decreased retained their full complement of skilled workers although there was a shortage elsewhere. In some cases it appeared that undertakings had accepted orders for goods which they had neither the equipment nor the labour to carry out, and had then applied for skilled labour which could be obtained only from other undertakings. The boards also drew attention to the possibility of reorganisation within the undertaking itself to remedy its shortage of skilled workers. Thus, in most undertakings the boards discovered that there were skilled workers who did not spend all their time on skilled work. There were also workers who had had various kinds of experience and who were capable of being trained for skilled work. It was also pointed out that it was the employers' duty to discover other talent and to make use of it. Only where the undertaking could prove that it was making efficient use of its skilled workers, that other workers were being trained or retrained, that women were engaged where possible, and that the necessary organisation was being carried out could it be considered healthy from the point of view of labour distribution.¹

¹ HILDEBRANDT: "Betriebseinhaber-Arbeitseinsatz", in *Reichsarbeitsblatt*, 5 Feb. 1940; *Der Deutsche Volkswirt*, 9 Feb. 1940.

MOBILISATION OF LABOUR RESERVES

The measures analysed above were designed to reinstate in their former occupations workers with qualifications valuable for the production programme and to ensure that the distribution of experienced workers, among and within the undertakings, would be such as to make the best use of their qualifications. In addition to these measures, steps were taken to increase the total volume of labour available for essential industries. The transference and vocational retraining of the unemployed and of workers likely to lose their jobs owing to the closure or curtailment of much non-essential activity was carried out in every case where the re-employment of these workers in their former occupations or at their place of residence was no longer in accordance with the requirements of the employment market. Short time, which had become extensive in some industries owing to the rationing of raw materials, was systematically eliminated. Thus, by an Order of 23 June 1937, the Commissioner for the Four-Year Plan required all employers in the textile and boot and shoe industries who employed not less than ten workers to guarantee the payment to their employees of wages equivalent to those due for a 40-hour week and, in consultation with the competent employment office, to discharge enough workers to bring the staff down to the correct figure. In virtue of the powers of the employment offices to control engagements and dismissals¹, workers affected would be directed to essential industries, if necessary after a period of retraining.

Measures to place workers released from their former jobs at the disposal of essential industries were supplemented by steps to increase the labour supply for essential industries by drawing on the latent reserves of the population. Some of these measures provided for the collective allocation of certain groups to essential industries. Others empowered the authorities to requisition the services of any individual, whether in employment or not, for work of national importance.

Measures Affecting Specified Groups of Workers.

The obvious first step to increase the labour supply was to remove the restrictions on the employment of certain groups of persons which had been introduced when unemployment was severe. Thus the restriction on the employment of young persons under 25 years of age, which was intended to promote the re-engagement of older workers, was abolished on 1 December 1936. The policy affecting the employment of women was revised altogether. On 1 October 1937 the prohibition against the employment of women in receipt of a marriage

¹ See chapter II (Germany).

loan was withdrawn and employers were encouraged to use female labour, in the first place, in agriculture and domestic service. On 15 February 1938 compulsory labour service for girls was introduced. Before entering employment in the textile, clothing, and tobacco industries, or in an office, young women under 25 years of age were required to complete a year's work in agriculture or domestic service. By a Decree of 23 December 1938, this obligation was extended to all girls and young women proposing to enter any kind of employment. By degrees, as the shortage of labour became more general, it was found necessary to expand the employment of women in other occupations besides agriculture and domestic service. The Women's Office of the Labour Front announced, at the beginning of 1939, that extensive preparations were being made to organise the allocation of female labour. During the spring of that year all able-bodied women, whether married or not, were asked to fill in a questionnaire in order that their special qualifications might be ascertained. The information so obtained was intended to facilitate the rational distribution of women workers among essential industries, to which they would go either voluntarily or in virtue of the requisitioning measures, to be discussed later, which had already been introduced.

The result of this action was a rapid expansion of the employment of women. From April to July 1939, the number of women in employment increased by over 600,000. On 15 August 1939, the Minister of Labour stated that during the two preceding years the number of women in employment had risen by 18 per cent. and that the figure at that date was 50 per cent. higher than it was in 1932 and comprised 32.8 per cent. of the total number of persons in employment. The dislocation of employment which followed the opening of hostilities led at first to a decline of 500,000 in the number of women employed. The lowest point (7,600,000) was reached in February 1940; after this, it gradually rose again, and by November 1940 it was 300,000 higher than the pre-war figure.¹ Since the number of men in employment declined during this period, the proportion of women to the total increased substantially—from 32.8 per cent. in the middle of 1939 to 39 per cent. in the middle of 1940.²

Besides these measures to draw women into employment, various steps were taken, from 1937 to 1939, to compel some workers, in certain social classes considered too numerous in relation to national needs, to take up paid employment in industry.

Restrictive provisions were adopted in the first place for itinerant occupations. An Order of 19 December 1937 pro-

¹ *Frankfurter Zeitung*, 23 Nov. 1940.

² *Die Deutsche Volkswirtschaft*, No. 8, 1941, pp. 262-263.

vided that permits to engage in these occupations might be refused or withdrawn in the case of persons whose labour could, for political or economic reasons, be employed more usefully elsewhere. It was estimated that the number of persons engaged in these occupations was nearly 1,000,000 and the number of undertakings 200,000.

An Order introduced on 22 February 1939 made handicrafts subject to similar restriction.¹ According to this Order, craftsmen suitable for employment elsewhere must be struck off the handicrafts register by the competent chamber of handicrafts if they fail to satisfy the conditions deemed necessary for the operation of an independent handicraft undertaking, unless the maintenance of the undertaking is of urgent necessity or is justified by economic reasons. An objection might be lodged with the chamber of handicrafts and, in the second instance, with the higher administrative authority, whose decision was final. A craftsman who has been struck off the register may not apply for fresh registration for a period of three years. No compensation is payable in respect of action taken under the Order. The administrative regulations published at the same time provided that the chambers of handicrafts must take account of the personal situation of the craftsman in their decisions. Undertakings belonging to overcrowded handicraft trades (including those of baker, butcher, hairdresser, tailor, and shoemaker) were to be deemed to be without economic justification, and the opening of new undertakings in them might not, as a rule, be authorised. It was estimated that these measures would make 60,000 to 70,000 workers available for more essential work.

Measures were also adopted to utilise the labour of convicts. On 18 May 1938 the president of the National Institution for Employment Exchanges and Unemployment Insurance issued a circular urging that all convicts fit for employment should be employed on productive work. The system of hard labour in prisons was altered so as to make even short-sentence prisoners fit for employment and to set the prisoners to work, whenever possible, on jobs considered urgent by the National Institution. Prisoners belonging to overcrowded occupations, such as printers, bakers, butchers, and hairdressers, were trained for a new occupation and employed, for instance, as labourers in the metal-working shops established in the prison. Care was taken to ensure that prisoners who were agricultural workers were employed only on agricultural work. A list has been issued of the kinds of work within and outside the prisons on which prisoners may be employed.

The employment of Jews was the subject of a special circular issued at the beginning of 1939. This stated that the number of unemployed Jews had increased substantially and

¹ The Order is to remain in effect until 1 January 1943.

pointed out that it was in the interests of the State that Jewish workers who were capable of work should be found employment instead of receiving unemployment benefits without giving service in return. The attention of employers was drawn to the necessity for engaging Jewish labour as quickly as possible in order to release German workers for urgent construction work for the State. Jews were to be employed in special undertakings on development and building work, and in other specified activity. Contractors and undertakings were no longer to be penalised because they employed Jews.

General Requisitioning of Labour.

Whereas the measures so far considered were designed to increase the total labour resources at the disposal of essential industries, the requisitioning of labour is intended to distribute these resources by requiring any person, whether in employment or not, to carry out work which it is considered desirable, in the general interest, that he should perform. For this purpose two systems can be used: compulsory labour service (*Arbeitsdienstpflicht*) and emergency service (*Notstandarbeit*).

Compulsory labour service was introduced by the Order of 22 June 1938 for all German citizens, for limited periods only. It was subsequently extended by the Order of 13 February 1939 to all persons residing on German territory and it could be required of them for an indefinite period of time. The employment offices were empowered to compel undertakings to place part of their staff at the disposal of the authorities. The main provisions of the Order of 13 February 1939 and of the Administrative Order of 2 March 1939, which regulated its application, are summarised briefly below.

If an employer cannot obtain labour, required for work specified by the Commissioner for the Four-Year Plan as of particular importance and urgency, from his own staff or from the local office, he must apply for additional labour to the president of the regional employment office. Compulsory service may consist of service of any kind. The worker must, however, be employed on work which is as closely as possible related to his knowledge and capacities. Before the worker is requisitioned, he and his employer must be heard, provided that the prompt provision of the necessary labour is not delayed, and the worker must be informed of the conditions of the service. Persons who are called up for service may, if necessary, be subject to a medical examination. The requisition order is given by the employment office of the worker's place of residence and must indicate the name and address of the workplace, the date when the service is to begin and, if for a specified period, the date when it is to end. Persons

requisitioned for a specified period are given leave of absence from their previous employment, and, except with the special consent of the employment office, the previous employment relationship may not be terminated during such leave of absence. Provision is made, wherever possible, for the maintenance of any rights in course of acquisition insofar as they depend on length of service in an undertaking, and for a reasonable settlement in cases in which the rights cannot be maintained. If a worker requisitioned for an indefinite period loses rights acquired in his previous employment and his claim is not satisfied under this and other provisions of the Order, the labour trustee may, in exceptional cases, order the new employer to pay compensation not exceeding three months' wages in order to prevent undue hardship. No such compensation is payable, however, in respect of reduction in wages. In certain circumstances the new employer may be required to pay to the previous employer a share of the cost of the worker's annual holiday.

The provisions concerning the payment of a separation allowance and special allowances were amended by an Order of 4 September 1939.¹ Until then the principle in force was that a worker called up for compulsory service should not suffer any loss of income as a result. The new Order provides that if a worker who has been requisitioned for service has to live apart from his family, he is entitled to a separation allowance in addition to his wages. An additional allowance may be paid if he has incurred obligations, commensurate in nature and extent with his previous economic situation, which he is unable as a result of his compulsory service to fulfil, either wholly or in part.

The compulsory service ends when the worker returns to his previous place of residence. Service for a specified period may be terminated prematurely, while that for an indefinite period may be terminated only with the consent of an employment office. Irrespective of the contract based on compulsory service, an employment office has power to terminate the service in the case of a worker requisitioned for an indefinite period if his service proves to be no longer necessary.

Extensive use was made of compulsory labour service in 1938 and 1939 for the construction of the western fortifications. From the time when the system was introduced in the middle of 1938 up to the outbreak of hostilities, nearly 850,000 requisitions were ordered by the employment offices, 600,000 affecting men and 250,000 women. During the first ten months of the war, the number of requisitions was about one million, 800,000 of which affected men and 200,000 women. Most of

¹ By the circular of 8 November 1939 (*Reichsarbeitsblatt*, 1939, part I, p. 512) the Minister of Labour extended these provisions to persons who, although not requisitioned for compulsory service, have moved to a new job which they are not allowed to leave for political reasons.

the requisitions were for a specified period. In October 1940 the number of persons performing compulsory service was about 350,000.¹

Emergency Service, in addition to compulsory service, was introduced by an Order of 15 October 1938 by the Commissioner for the Four-Year Plan. An Order for the administration of this measure was issued by the Minister of the Interior on 15 September 1939, effective as from 26 August 1939. The difference between emergency service and compulsory labour service is that no application for labour by an employer is needed in the case of requisitioning for emergency service. The object of this service is to enable specified administrative authorities to carry out various types of urgent work.

The Commissioner for the Four-Year Plan, in agreement with the Minister of the Interior, specifies the authorities which have the right to requisition workers for emergency service. The service may be either long-term or short-term. It is long-term service and involves a contract of service if the worker is engaged in his usual principal occupation and if it lasts or is intended to last more than three days. Short-term service does not involve a contract of service. The authorities requisitioning a person for long-term service must notify the competent employment office, which has the right to object for reasons of the local employment situation. So long as the objection holds, the requisition cannot take effect. Persons who are already in employment, when requisitioned for emergency service, must be given leave of absence for the duration of the service and cannot be dismissed. Persons requisitioned for short-term emergency service are entitled to full pay from their former employer. The only remedy against a requisitioning order is through appeal to the higher authorities.

The Order of 15 September 1939 provides that the authorities which have the right to requisition workers for emergency service may place them at the disposal of a third party, subject, if necessary, to certain conditions. With a few exceptions, liability to emergency service applies to persons between 15 and 70 years of age. If the payment of wages or other allowances specified in the Order of 15 October 1938 entails appreciable financial difficulties for the undertaking concerned, the Minister of the Interior, in agreement with the Minister of Finance, may grant a hardship allowance. The Minister of the Interior, in agreement with the Minister of Finance, must provide for the maintenance of the persons called up for service and fix the rates of compensation. The dependants of the persons called up receive dependants' allowances in accordance with the provisions of the Family Allowances Order of 11 July 1939.

¹ Statement of Dr. Syrup (*Frankfurter Zeitung*, 29 Oct. 1940).

Prisoners of War and Foreign Workers.

As a means of relieving the strain on the employment market, which had been aggravated after the outbreak of hostilities in consequence of military mobilisation and the reduction of the reserves of German labour, the Government began to draw as soon as possible on the service of prisoners of war and to recruit workers in the territories occupied by its armies and in other foreign countries.¹

(a) The employment of *prisoners of war* was regulated by circulars issued by the Minister of Labour on 26 September 1939 and the Minister of Food on 4 and 5 October 1939.

The allocation of the prisoners to employment is decided by agreement between the military authorities responsible for their supervision and the employment offices. A labour allocation officer (*Arbeitseinsatzoffizier*) is attached to each camp to deal with questions relating to the employment of prisoners. He works in collaboration with the civilian placement services which are also attached to the prisoners' camps and represent the various employment offices.

Undertakings which wish to employ prisoners must submit their application through the local employment office. These applications are considered individually by the Minister of Labour. If the workplace is far from the camp, the undertaking must provide board and lodging for the prisoners it employs, the men being lodged in groups (*Arbeitskommandos*) of at least 50 with their supervisors.

The number of prisoners of war serving the German economic system in virtue of these provisions has increased steadily. In June 1940 it was from 600,000 to 700,000. By October it had reached 1,000,000.² Moreover, at that time steps were taken to ensure that the services of prisoners of war were utilised more rationally in accordance with their vocational qualifications. At first their employment had been authorised only for agriculture; soon it was allowed also in mining, peat works, railway maintenance, the laying of electrical communications, the construction of special motor roads and water courses, the felling of wood for pit props, etc. Up to the middle of 1940, however, the great majority of the prisoners were allocated to agricultural work. The proportion in agriculture was 90.8 per cent. in April 1940, most of the prisoners

¹ A further expansion of the employment market resulted from the large-scale repatriation of populations of German origin, which was organised by agreements with Bulgaria, Estonia, Italy, Latvia, Lithuania, Rumania, and the U.S.S.R. and which affected over half a million persons in all. It appears, however, that these groups have been used for the systematic German settlement of annexed or occupied areas rather than as a source of labour for German industries. Hence their distribution is not considered in this report, although it has undoubtedly had an indirect influence on the general employment situation.

² Statement of Dr. Syrup, *loc. cit.* Unofficial sources estimated this figure to be 1,300,000 in June 1941.

at that date being Poles. The number of prisoners employed in industry began to increase with the arrival of prisoners from the western countries, and by August 1940 it had reached the figure of 200,000. During the whole of the summer, however, priority was given to agricultural requirements, and many persons who were qualified for industrial work were allocated to agriculture.

In the autumn the demand for agricultural labour had been met, and at the same time the shortage of industrial workers, especially skilled workers, was increasingly acute. A circular was therefore issued by the Minister of Labour on 7 October 1940 instructing all the employment offices to investigate how prisoners of war who, according to the card-indexes kept by the offices, were skilled building, stone, mining, metal working, chemical, agricultural or forestry workers, were actually employed. To the extent that it was found that these workers were not engaged on work conforming with their skills, employment offices were requested to transfer them to such work. The employment offices were also instructed to ascertain, immediately after the fruit harvest, what had been the ordinary occupation of other prisoners of war in agriculture and to withdraw the surplus number and direct them to industrial employments. It was provided, however, that the period of validity of the agreements entered into with the managements of the prisoners' camps for this purpose were to be limited to the slack season in agriculture and at the end of that season the workers in question were to be returned to agricultural work.

(b) In addition to war prisoners, *foreign workers* have provided an ever-increasing source of labour. In the occupied territories recruiting has been carried on systematically and steadily by the local placement services, to which the German employment authorities notified their requirements and delegated recruiting agents. The unemployed workers who are registered with the employment offices and are offered employment in Germany usually cannot refuse it on pain of losing their right to unemployment benefit or allowances.

In the Protectorate of Bohemia-Moravia the number of workers recruited for Germany from the occupation of the country in March 1939 to August 1940 was 132,700. Because, at the time the country was occupied, the number of unemployed persons registered with the authorities was only 98,850, and the volume of employment has increased since then by 8 per cent., it was estimated that as early as August 1940 the labour reserves available for Germany in the Protectorate had been exhausted. By that time there was already a disquieting shortage of workers in agriculture.¹

¹ *Reichsarbeitsblatt*, 15 Oct. 1940, part V, p. 510.

In Poland recruitment (almost wholly for agricultural work) began immediately after the occupation. During the summer of 1940, 469,000 civilian Polish workers and 180,000 released prisoners of war were working in German agriculture.¹

Negotiations for the employment of Danish workers were opened immediately after the occupation of the country in connection with the supply of coal and raw materials for Denmark. The German authorities argued that the employment of Danish workers in Germany would make it easier for the latter country to allocate the necessary labour to the extraction of coal for Denmark. At the end of June 1940, groups of workers were leaving Copenhagen every other day for Hamburg, Lübeck, Kiel, etc., for employment, chiefly in the shipbuilding yards. At the beginning of February 1941 the number of Danish workers employed in Germany was 24,000, including 6,572 building workers, 5,089 metal workers, 11,732 navvies and cement workers, 105 carpenters and joiners, and 732 painters. A month later the total had reached 30,000.²

In Norway the recruitment of workers for Germany has so far been carried out on a very limited scale. In December 1940 a first agreement was concluded between the German Government and the occupation authorities for the engagement of a total of 5,000 workers through the Norwegian employment offices. Their recruitment was said to be entirely voluntary. It has made only slow progress, and by the end of February 1941 not more than 1,000 workers had left the country.

Before the war, a certain number of workers from the Netherlands were more or less regularly employed in Germany, especially as frontier or seasonal workers. After the occupation of the country, this movement was revived and systematically extended by the Netherlands employment offices, on the demand of the German placement authorities. Workers who declined employment offered in Germany were refused all unemployment relief. Between 20 June and 30 December 1940, nearly 100,000 workers were placed in Germany, including over 33,000 as frontier workers. There was a cessation of recruitment during the winter but in January 1941, large groups of workers were being made ready for departure in the spring. The employment offered consisted mainly of agricultural work and skilled work in the metal and building industries.³

In Belgium, appeals for voluntary registration for employment in Germany began one month after the occupation but produced no results until it was decided to refuse unemployment compensation to unemployed workers who did not ac-

¹ *Ibid.*, 5 Jan. 1941, part V, pp. 6-8.

² *Social Demokraten*, Copenhagen, 7 Feb. and 12 March 1941.

³ *De Arbeidsmarkt*, Dec. 1940 and Jan. 1941.

cept the offered employment. In August and September 1940, the number of workers who left for Germany averaged 1,500 to 2,000 a week. The weekly average then fell to 500 or 600, and on 15 December the movement was interrupted owing to a seasonal decline in the demand for labour in Germany. It was resumed later on a more extensive scale, and it was stated in February 1941 that workers were being sent to Germany at the rate of 6,000 a week. In all, the total number of Belgian workers employed in Germany at that time was about 100,000.¹

Recruitment in France began in the eastern areas immediately after the invasion. From July to November 1940, the number of Alsation workers placed in Germany was 24,485.² Of the rest of occupied France, the Paris district has supplied the largest quotas of workers. At the end of February 1941 the number of French workers in Germany was estimated at 30,000, in addition to the total number recruited from Alsace. During that single month 6,800 additional workers had been engaged, of whom 4,479 came from the Paris district.³

Besides the occupied territories, the countries associated with Germany politically have also been called on to help to meet the German demand for labour. Thus, 46,000 Slovaks were working in Germany at the end of 1940.⁴ As regards Italy, arrangements were made as far back as 1938 to send to Germany a quota of some 30,000 workers for the harvest; a rather larger quota was sent in 1939; in 1940, 53,000 workers were sent; and agreements concluded in January 1941 provide for a still higher number in the current year. Moreover, in 1940 the recruitment of Italian labour for German industry was also developed. It was estimated that at the end of 1940, 60,000 Italian workers were employed in German industry. The figure will be considerably increased in 1941 in virtue of agreements concluded at Rome at the beginning of February, which relate particularly to the transfer of industrial workers. Under these agreements, the number of Italian workers employed in German industrial undertakings was to be increased, by the sending of successive quotas during the following weeks, to a total of 264,000. The last quotas were to be composed largely of supervisory staff and workers in the iron and steel, metal, and engineering industries. The loss of this labour was to be compensated in Italy by an extension of hours of work. When all the quotas of agricultural and industrial workers specified in the agreements of January and February have been fulfilled Germany will have at its disposal 320,000 Italian workers.⁵

¹ *Deutsche Bergwerks-Zeitung*, 22 Feb. 1941.

² "Die Arbeitseinsatzverwaltung im Elsass", by WOLZ, in *Reichsarbeitsblatt*, 20 Dec. 1940, part V, p. 615.

³ *Basler Nachrichten*, 24 March 1941.

⁴ *Frankfurter Zeitung*, 29 Jan. 1941.

⁵ *Corriere de la Sera*, 12 Feb. 1941, and *Il Sol*, 13 Feb. 1941.

According to Dr. Syrup's estimate, the number of foreign workers, of whatever origin, employed in Germany had reached about 1,100,000, by October 1940.¹ During 1941 this figure will be much exceeded and the increase will be made up largely of industrial workers. According to a study published in the *Frankfurter Zeitung*, experience has shown that the employment of foreign workers meets with much greater difficulties in industry than in agriculture. The difficulties are usually due to the following factors: (1) the vocational training of the workers often differs from that of German workers; (2) the machinery and methods of work of establishments in the countries to which these foreign workers belong frequently differ from those customary in Germany; (3) a large number of the foreign workers have been unemployed for a long time and have lost the habit of working regularly; (4) apart from a few exceptions, the workers do not know German, a difficulty more generally encountered in industry than in agriculture; (5) the workers are separated from their families, very often for the first time.

Appropriate steps have been taken or are being contemplated to overcome these difficulties. In particular, attempts are made to place them in such a way that the majority with the same language and coming from the same country work together. In addition, an interpreter, attached to each group, is recruited at the same time as the members of the group. The vocational training which is needed by the workers is to be given by the factories in which they are employed. The German Labour Front has been made responsible for the lodging, clothing, and board of all these workers. In order to avoid further difficulties, the recruitment officers and agents have been instructed to inform the workers of the conditions under which they will have to work and of their rights and obligations.²

The above account shows that the German authorities, after resorting to the mobilisation, redistribution, and control of employment of German workers in order to meet the growing labour requirements of essential industries, are making increasing use of labour reserves comprising prisoners of war and other foreign workers. In spite of the addition of these new elements, the condition of the employment market at the end of 1940 was still extremely stringent and the employment offices stated that there was a continuous unsatisfied demand for 1,500,000 workers. The shortage continued to be particularly marked in the metal industry, notwithstanding the special efforts made to overcome it. Probable remedies for the persistent scarcity of labour consist, according to a recent

¹ *Frankfurter Zeitung*, 29 Oct. 1940.

² *Ibid.*, 29 Jan. 1941.

report of the German Ministry of Labour, in an expansion of vocational training, rationalisation of the use of available labour resources, and increasing employment of foreign workers.¹

British Dominions

Australia, Canada, New Zealand, and the Union of South Africa have each been faced with the inter-related problems of a shortage of skilled labour on the one hand and, on the other, of persistent unemployment. As a result, various measures have been introduced designed, either directly or indirectly, to allocate skilled workers to essential jobs and to economise in the use of their services, and to facilitate the absorption of inexperienced and unskilled workers in defence employments.

In view of the fact that all the countries comprising the British Dominions have reached approximately the same stage in the evolution of their national policies of mobilisation and distribution of labour resources, the description of their experience has been combined in this chapter in order to avoid unnecessary repetition. The following material has been selected to illustrate the ways by which one or another of the Dominions has met problems connected with the recruitment and distribution of labour.

DILUTION OF SKILLED LABOUR

The dilution of skilled labour is a problem which differs greatly in each one of the Dominions in accordance with the strength and traditions of the trade unions affected, although its consequences may be very similar in all the countries. Dilution may be regulated by agreement between the Government and the unions and employers' associations concerned, or it may be imposed by the Government in laws or regulations or by means of provisions included in war contracts. If the latter method is used, however, the principles of the scheme are generally worked out in consultation with the employers and workers affected.

In Australia, dilution has been carried out by agreement between the Commonwealth Government and the organisations of employers and workers concerned. The first agreement affected the engineering trades and was signed on 8 May 1940.² A generally similar agreement was signed in November 1940, applying to the trades of boilermakers and blacksmiths.³ The following principles characterise both agreements:

¹ *Reichsarbeitsblatt*, 15 Jan. 1941, part V, p. 22.

² The text was published in the *Commonwealth of Australia Gazette*, No. 128, 8 July 1940.

³ The text may be found in the *New South Wales Industrial Gazette*, Dec. 1940, pp. 402-404.

(1) All proposals for dilution should be consolidated under one Commonwealth Government-controlled scheme.

(2) All available and competent tradesmen should have preference in employment, regardless of age.

(3) No skilled men or apprentices should be called for military service unless their skills are utilised to the full in the fighting forces. Men drawn into the forces and whose skills are not fully utilised should be returned to industry.

(4) No recognised tradesman is to be discharged owing to staff reductions whilst any added tradesman (brought in under these agreements) remains in employment.

(5) When skilled labour becomes available, restoration of the pre-agreement practice will be made.

If these principles are observed, the agreements provide that men who wish to undergo intensive training in the engineering, blacksmith, or boilermaker trades may be selected and brought in to be trained to tradesmen's status in order to overcome the shortage of such tradesmen.¹ During their training they are to receive not less than the wage prescribed in the appropriate Industrial Award, Agreement or Determination for the work to which they are allotted. Trainees are required to sign an agreement stating that they will serve in the capacity for which they have been trained if and as required by the Local Committees set up to control the application of dilution. Registers of all persons trained under these arrangements are to be kept, with copies provided to the organisations of employers and workers affected. The schemes are administered by tripartite Central Committees including employers and workers concerned under each agreement and by tripartite Local Committees which work under the direction and control of the Central Committees. The duties of the latter include the disposition and allocation of persons trained under the schemes, the approval of plants to act as training establishments, general supervision of the training, and the testing of the technical competence of the trainees when their courses have been completed. The agreements do not apply to women, but their application to the employment of women in engineering is under discussion.

In the Union of South Africa, representatives of employers and workers in the iron and steel and engineering industries in the Transvaal reached an agreement in September 1939 regarding the admission and control of emergency labour required by the industry during the war.² Negotiations con-

¹ In engineering, the men are to be selected from among persons of engineering or appropriate classifications first, and if sufficient candidates cannot be found from these classes, they may be chosen from other classes of persons.

² *The South African Mining and Engineering Journal* (Johannesburg), 18 Nov. 1939.

cerning dilution were carried on in other Provinces through 1940, in the hope that eventually the problem could be dealt with on a national scale. The shortage of skilled and specialised workers by the end of 1940 led to the adoption, early in 1941, of regulations to control the mobilisation of man-power. The Controller of Man-Power is given power, among other things, to make rules for the admission and training of any additional or of any emergency labour in any controlled industry or in any establishment in such an industry. In making any such rules, however, he is advised by a Labour Control Board which consists of the Controller and of representatives of employers and workers in equal numbers, appointed after consultation with the organisations most closely affected.¹

In Canada, another method which results in dilution is illustrated by the scheme which has been in force in the aircraft industry. Contracts awarded for aircraft manufacture include provisions establishing minimum wage rates and specifying lengths of training periods for each classification of semi-skilled workers, learners, and apprentices, in relation to those established for skilled tradesmen.² Since the aircraft industry was largely undeveloped and unorganised at the beginning of the war, and since, as a result, standards and conditions were not the subject of long-established and detailed agreement between representatives of employers and of trade unions, the problem of dilution as such hardly arose at the time when this scheme was put into effect.

DISTRIBUTION OF EXPERIENCED WORKERS

Measures to achieve dilution have generally been accompanied by a redistribution of skilled labour and by various other measures to encourage or to compel a transference of resources from non-essential to essential industry. Most of these measures have been negative in character and indirect in effect. Taxation of some kinds, for example, has been imposed largely or partly to release productive capacity and skilled labour for war purposes. Priorities on machine tools and other articles essential to war, including raw materials, have been established with a view to their effect on the employment of important categories of skilled workers. Employers have been urged to analyse their plant organisation and to break down jobs where possible, so that fewer skilled workers are needed in any one plant. Skilled workers whose skills are not fully utilised in their present jobs or who are not engaged

¹ Regulations: Control of Industrial Man-Power. Text in *The Union of South Africa Government Gazette* (annexure), 13 Feb. 1941.

² This scheme is described in an article by H. B. Chase of the Department of Munitions and Supply in the April 1940 issue of *The Canadian Congress Journal* (organ of the Trades and Labour Congress of Canada, Ottawa).

on war work are urged to notify the competent authorities of their position, in order that they may be used as and when necessary on urgent war tasks.

As yet, little positive action has been taken in any one of the Dominions to effect redistribution of workers among the various branches of production. It is now recognised, however, that the expanding requirements of war industries for trained workers will make such action necessary in the near future. As the Governor General of New Zealand said in March 1941: "With the increased demand on the man-power of the Dominion that must inevitably be expected . . . , it may well be that my Government will be obliged to arrange still further for the diversion of labour from non-essential to essential industries . . ."¹ Several of the Dominions have already made extensive plans to redistribute labour resources, affecting, in particular, categories of workers who are already experienced or who can be trained rapidly for employment in munitions factories. At the same time, the opinion has been expressed in each one of the Dominions that further progress towards the distribution of labour resources, with the accompanying expansion of training and up-grading, depends largely upon the introduction in each country of a more unified and clear programme of industrial mobilisation of man-power than those which have been in effect until now.

MOBILISATION OF LABOUR RESERVES

The war effort of the Dominions requires the mobilisation of the reserves of the population as well as efficient utilisation of the supply of trained labour. The first main task was the absorption of the unemployed; and the second, the mobilisation of women for industrial work. The planning of rural-urban population distribution under war conditions is another task of importance, but little organised effort has so far been made to utilise the rural labour reserve for war industries other than agriculture.

The Unemployed.

Each one of the Dominions entered the war with a substantial reserve of unemployed workers. At the start of the war, therefore, efforts were concentrated on bringing these workers into the expanding war industries. There was, at first, a tendency to believe that the absorption of the unemployed would follow automatically from increased wartime demands for labour. This belief disregarded a basic fact concerning the unemployed population of each Dominion, namely that the great majority of the unemployed were unskilled or inexperi-

¹ *The New Zealand Gazette*, 12 March 1941.

enced in industrial work, while the only jobs open to them were those in war industries requiring some degree of skill and experience. The persistence of the belief in automatic absorption of the unemployed tended to retard the expansion of positive efforts to train or retrain the unemployed, or to make available for war industries the increasing volume of skilled labour required to permit the absorption of unskilled unemployed workers.

During 1940, however, the numbers of able-bodied unemployed declined steadily, generally speaking.¹ At the same time, more thorough analyses of the remaining unemployed were undertaken in order to facilitate their placement. By the spring of 1941, however, unemployment had not reached a minimum level in any one of the Dominions despite the growing tightening of the labour market. This fact caused some criticism, in several of the Dominions, of the existing employment policies of the respective Governments. In Australia, for example, a parliamentary committee was set up in February 1941 to investigate the Commonwealth's resources of unemployed or partially employed man-power and the extent to which these workers could be used in the manufacture of munitions and war equipment. The Committee was appointed largely in response to criticisms on the part of persons (labour members of the War Council, in particular) who considered it illogical that unemployment should persist while many men were working long hours and deficiencies in war production continued to exist. The major problem in Australia, and in the other Dominions as well, is to make possible a more rapid absorption into essential industries of employable unemployed persons who are at present low-skilled or inexperienced.

Women.

Early in the war it was recognised in the various Dominions that, just as in the last war, it would be necessary to call upon large numbers of women to help to staff expanding industrial plants; yet so far, although large numbers of women have drifted into industry to fill jobs left vacant by men or jobs created by plant expansion or reorganisation, there has been little systematic action on the part of any of the Dominions to mobilise women for war work. In each country, however, the question has been analysed and studied and plans have been formulated to facilitate the absorption of women

¹ In Canada, the number of persons on relief to which the Dominion contributed declined from 121,000 in September 1939 to 52,500 in February 1941. In New Zealand, the number in receipt of unemployment benefit declined from 6,805 in September 1939 to 1,964 in January 1941. In Australia, unemployment among trade unionists fell from 10.2 per cent. in August 1939 to 5.3 per cent. in March 1941, and in the same month it was estimated that 3 per cent. of the employable population remained unemployed.

as the shortage of labour in general becomes more pronounced.

The increase in the employment of women, owing to war conditions, has naturally varied considerably from Dominion to Dominion. In Australia, many additional women have been engaged in munitions annexes as viewers and examiners to check with gauges, in core-making and other work at foundries, in the metal trades on soldering, on small hand machines, and on light work connected with the manufacture of radios. Others have gone into the textile industries, replacing men even on the late shifts, others into the rubber industry, making equipment of many kinds needed by the armed forces, and others into trade and services of various sorts. Women in New Zealand have found increased employment opportunities in the textile and clothing industries, in boot and shoe manufacture, in sail and tent making, and in various food processing industries. In the Union of South Africa and in Canada, women have entered many occupations which until the war were traditionally reserved for men.

In some of the Dominions, agreements concerning dilution covered the employment of women; in others, they did not apply to women. In Australia, employers applied to the Arbitration Court late in 1940 for permission to employ women on process work in engineering to relieve the shortage of trained men in war industries. The Amalgamated Engineering Union contended that if the introduction of women workers was necessary, it should be done on the lines of the dilution scheme, and that both their entry into and their departure from the industry should be regulated. It was suggested that a Conference of Government officials, employers, and workers be held to discuss the whole question of the employment of women in relation to the dilution agreements, and such a Conference was held in March 1941, at which this question was discussed, among others.

With the tremendous labour needs forecast in each Dominion for 1941, many of the plans for mobilising woman-power may be brought into effect in the course of the year. Recent statements by officials in several Dominions suggest that systematic utilisation of their services cannot longer be delayed.¹ This will include not only the absorption of unem-

¹ In New Zealand, for example, the Governor General suggested in March 1941 that the Government would have to call to an increasing extent on the services of women, "large numbers of whom have already come forward in the most commendable spirit to offer their services". (*New Zealand Gazette*, 12 March 1941.) In Australia, the Minister of Labour announced in April 1941 that many more women would have to be drawn into munitions production if output were to be maintained and that methods of utilising the services of women were being examined intensively by the Employment Division of the Department. (*The Herald*, Melbourne, 17 April 1941.) In Canada as well, the Minister of Labour has stated that women must be brought into war industries and it has been suggested that a plan for the systematic utilisation of their services will be put forward in the near future.

ployed or unoccupied women but also considerable transference of women from non-essential to essential activities.

Foreign Workers.

None of the Dominions possessed a reserve of non-working persons of foreign nationality such as that at the disposal of Great Britain and France. Therefore, the problem of the utilisation of the services of friendly aliens has not arisen with the same urgency or in the same terms. Shortages of certain categories of highly technical or professional workers (doctors, for example) have led to amendment of existing barriers against their employment in a civilian or military capacity in some instances. To date, however, these instances have been relatively insignificant.

Several of the Dominions have encountered a problem connected with the employment of aliens, namely, unfounded discrimination on the part of employers and some trade unions against persons of foreign name or origin. Thus, in Canada, the Minister of Labour addressed, on 14 March 1941, a letter to employers and to secretaries of trade unions which included the following sentences:

Complaints have been made that persons of foreign name or birth but of unquestioned loyalty have had difficulty in securing or maintaining employment. It is, therefore, desirable that in exercising all proper vigilance unjust discrimination should be avoided against those who, while not born in this country, have been accepted as citizens or residents and as such have the right to earn their living.¹

Compulsory Mobilisation of Labour.

New Zealand is the only one of the Dominions which has adopted a system of compulsory labour service as a method of mobilising labour reserves. An Order in Council of 18 June 1940, issued under the Emergency Regulations Act of 1939, introduces national service for all residents of New Zealand over 16 years of age, regardless of sex, and governs the conditions under which they may be called to perform such service. The adult population covered by the regulations is considered to constitute a general national reserve, which may be divided into classes and called for labour service as national circumstances may require. The Minister of National Service may direct any person liable to service to perform work of national importance in New Zealand, provided that he or she is capable of performing it. Services carried out in this manner are subject to the same terms of remuneration and conditions of work as are applicable to similar work under laws, regulations, awards or industrial agreements, or, failing any such provisions, they are subject to conditions prescribed by the Min-

¹ *The Labour Gazette* (Ottawa), April 1941, p. 364.

ister of Labour. Persons called for such work must notify the Director of National Service if they cease to be engaged in any essential occupation or if they change employers or cease to be employed. Similarly, an employer of any such persons must notify the Director of any changes of this kind.

Although New Zealand alone has introduced compulsory service, the Government of each Dominion has been granted powers to mobilise human resources as required by the war effort. To date, all of the Dominions (including New Zealand) have found it best to carry out this mobilisation by negotiation and by voluntary action rather than by force.

Japan

The General Mobilisation Act of 1938 was dominated by a recognition of the need, in modern warfare, to mobilise the whole of the human and material resources of the country, in order to assure the production of necessary munitions and to satisfy the normal requirements of the civilian population and the fighting forces. The Act therefore conferred upon the Government wide powers to take such action as might be considered necessary to mobilise these resources in support of the national war effort.

With the expansion of the military operations in China, it became necessary to utilise the entire supply of skilled labour available in the country and to distribute it so as to ensure that it should be employed profitably and with due regard for the national interest. In the first place, restrictions were placed on the engagement of certain categories of skilled workers. In the second place, the vocational qualifications of workers with skills essential to war and defence production were registered, in order to make available a complete census of the skilled labour supply. Finally, an Order of 7 July 1939 introduced compulsory labour service for the first time in the country's history.¹

This last Order was issued in accordance with provisions of the General Mobilisation Act which empowered the Government to require any Japanese subject to take part in work designed to further national mobilisation. The Order stipulated, however, that compulsion would only be enforced in cases where requirements could not be met through the employment offices and by voluntary recruitment, and, further, that only specialised industrial workers (those covered by an Order of 6 January 1939) were liable to be mobilised. It was estimated that 5,800,000 persons were affected by the provisions of the Order of 6 January and therefore liable to service.²

¹ *Kampo*, 8 July 1939. This order was supplemented on 11 July 1939, by a series of Ministerial Orders effective on 15 July.

² See chapter V (Japan).

In order to carry out this scheme for industrial mobilisation, detailed plans were drafted, showing the order in which the workers affected were to be called up and indicating factors which should be taken into account (such as the place of work, physical capacity, family circumstances, etc., of the workers), on the basis of data secured from the public employment offices. Persons called for service could be assigned to any work undertaken by the State and declared to be general mobilisation work. They were to receive allowances, designed to compensate them for any financial loss they might have incurred owing to mobilisation. The rates of these allowances were to be determined by the Minister responsible for the supervision of the undertaking to which the workers had been allotted, with due regard for the wages or other income which the latter had been receiving before they were called for service, the nature of their work, and the place where it was to be performed.

Mobilisation of workers and their subsequent demobilisation were left entirely to the Ministry of Welfare, and its decisions were executed by the prefects. State departments which needed compulsory labour were asked to supply the Ministry with lists of the vacant posts to be filled, and to keep the Ministry informed of any changes in these lists and of suggested plans for the demobilisation of persons serving under the compulsory service scheme.

II

PROBLEMS OF INFORMATION AND ORGANISATION

CHAPTER V

INFORMATION

Labour supply policy must be based on comprehensive and detailed information. Responsible officials must have at their disposal information concerning the continuous changes in the demand for and supply of labour in order that measures taken can be adapted to the specific requirements of the production programme. Lacking such knowledge, their intervention may prove either belated and ineffective or useless and irritating. If action is not taken soon enough or falls short of what the situation requires, the execution of the programme is hampered and delayed. If action is taken where there is no real need for it, it may demoralise the persons affected. They are unlikely to agree for any length of time to restrictions of their rights and disturbances of their occupational and often of their family life if they discover that they have been compelled to make a superfluous, or at least an avoidable, sacrifice. A worker who has been asked to change his employment and residence and who has submitted to vocational retraining will naturally be resentful if he comes to realise that these measures were not meeting a real need or that the need could have been met in some other way. The resultant discredit for the authorities will be increased in proportion to the amount of compulsion which accompanied the execution of the policy.

The information on the demand for labour which is normally at the disposal of a public employment service is far less than that necessary to effect efficient organisation of employment in time of war or national emergency. Even when the employment service is highly developed, well-equipped, and co-ordinated with private employment agencies, the information in its possession does not give a complete picture of labour demand at any given moment, since all employers do not make equal use of the service. To make the picture more complete, emergency measures of employment control can be of great use. When, for example, the recruitment of labour by means of advertisements is subjected to restrictions, employers are led to notify an employment office of their requirements; and

in cases where the offices possess a monopoly of placement, the information obtained from employers is even more comprehensive.

Even so, however, the authorities do not have all the requisite information, since a monopoly of placement can give particulars only on the present state of demand and not about future changes. Yet one of the greatest difficulties in organising labour supply for the execution of a defence programme lies in the fact that the demands to be met vary in quantity and quality with each stage of the programme. Moreover, the formulation and application of measures intended to procure the necessary workers often take some time. It follows that if the demand is to be met at any given moment, these measures must be taken sufficiently in advance to ensure that suitably trained workers will be available when they are needed. Such far-sighted action is possible only when detailed information can be obtained on the probable trend of the demand for labour. Employers in receipt of defence orders can supply information regarding the trend of their own labour requirements, and enquiries made among them will yield useful data. But the authorities responsible for preparing and carrying out the whole programme are alone in a position to estimate, with reference both to orders already placed and those still to be allocated, how the demand for labour in each occupational category will vary from month to month in the country as a whole and in each area, and to revise their estimates on the basis of experience or because of changes in the scope or structure of the programme itself.

Similarly, the information which the employment service normally possesses on the labour resources of the country is very incomplete. It is limited, as a rule, to unemployed workers who are registered with employment offices as applicants for work. Where there is a comprehensive system of unemployment insurance and assistance, co-ordinated with the placement service, the records of the employment offices are a valuable source of information; but even then they are not complete, because the system never covers all the workers of the country. In particular, workers whose earnings exceed a certain limit are always excluded, so that the registers may be very incomplete for the higher grades of staff, the demand for

which (as was mentioned) is particularly great from the very beginning of a defence programme.

These gaps in the files of the employment offices can be filled in part by requiring all workers to register with such an office as soon as they become unemployed. But the execution of a vast defence programme means that information must be collected not only on the unemployed but on all the other labour reserves which can be tapped, whether the workers in question are already in employment or have never been in the labour market. The more comprehensive and more detailed this information is, the easier it is to be sure of finding in the available reserves those workers who are best fitted for the vacant jobs and to recruit them in the order dictated by general economic and social considerations.

Information regarding workers whose services can be utilised in essential industries is obtained, in some instances, from the registration of men for military service; but these data naturally cover only the male population belonging to the age classes liable to service. The only method of obtaining a complete census of the labour available for defence industries is to register all persons who, owing to the skill they already possess or to that which they can obtain through training, would be suitable for transfer to such employment. This registration may be voluntary or compulsory. Voluntary registration indicates which persons are ready to change their employment or take up a job in order to participate in national defence work. But as soon as demand increases beyond the supply obtained through the voluntary method, compulsory registration is necessary in order to discover precisely what labour resources can be utilised. Thus, if the execution of the production programme necessitates the mobilisation of all the reserves of the population, whether employed or not, it is essential to make a systematic registration and analysis of all able-bodied persons in order to determine how far use can be made of their services as and when necessary.

A brief description is given below of the methods by which Great Britain, France, Germany, Canada, the United States of America and Japan obtain information regarding labour supply and demand.

Great Britain

INVENTORY OF LABOUR SUPPLY

Information concerning the labour resources available for essential industries in Great Britain has been derived from the registers of the employment exchanges, from supplementary registers of special categories of workers, from registration required by the Armed Forces Act, and from general national registrations. The evolution of policy appears to have been gradually to supplement the registers of the employment exchanges with such special registrations as the situation required and finally to require registration for employment from the whole remaining population. One or two registers had been compiled before the war began, but the great body of occupational information was neither collected nor analysed until after the war began.

Registers of the Employment Exchanges.

The employment exchange system of Great Britain, well-developed before the war, became the basic machinery for making inventories and for analysing their results after the outbreak of hostilities. All the special registrations of particular categories of persons have been carried out either directly by the employment exchanges or in close co-operation with them. Thus, the whole stock of information pertaining to labour supply is centralised and co-ordinated through the employment exchange machinery.

Even before the war, the registers of the exchanges provided a relatively accurate index of the reserve of unemployed workers in the country, since workers in receipt of unemployment benefit and assistance were required to register with an exchange and since registration was a customary preliminary to looking for work in Great Britain. Moreover, many persons who had never previously been in the employment market registered with an exchange as applicants for work, as a matter of course. With the outbreak of war, therefore, little was necessary to supplement the coverage by the exchanges of this portion of the population.

Except in the case of special categories of workers, registration with the exchanges was kept on a voluntary basis during the first year of war.¹ This was possible only because the coverage of the exchanges was relatively wide and because, in war conditions, most persons tended to register and to use

¹ By the Evacuated Persons (Registration) Order, 1940, all unemployed workers who had been evacuated were required to register with an exchange (or a local office of the Ministry), in order that the employment exchanges might be kept informed of any change in the local labour supply so that they might signal any surplus to other areas where needs were greater or take other placement measures which appeared advisable.

the facilities of the exchanges. As labour requirements became increasingly urgent, compulsory registration extended to more and more groups. By the spring of 1941, the entire adult population was covered by Orders requiring registration of vocational qualifications.

Registration by no means covers the activities of the exchanges relating to the inventory of labour supply. Intensive analyses covering unemployed persons in particular industries have been carried out (usually by panels of employers and workers with the assistance of employment exchange officials), and the long-term unemployed have been examined to discover along what lines lay their potential contribution to industry or defence services. The analyses of these various categories of the unemployed suggest, as a rule, what kinds of employment are considered appropriate for the individuals concerned.

Special Registers of Various Kinds.

Special registers of particular categories of workers were compiled to meet specific needs. They served primarily as a factual basis for planning the distribution of workers who possessed skills valuable to war production or essential services.

Some months before the war started, the Government began to compile a register of persons with special professional and technical qualifications who volunteered for employment in any kind of war work for which their qualifications made them specially suitable. In addition to specialised personnel (accountants, surveyors, highly qualified technicians, etc.), persons qualified in business management were included in the Central Register. The Register was compiled partly as a result of spontaneous offers of service and partly with the help of various professional organisations, such as the Institute of Chartered Accountants, the Institute of Export, and the Incorporated Sales Managers' Association. Registration has been largely on a voluntary basis. The shortage of qualified engineering and scientific personnel, however, led to the issuance of an Order, effective 14 July 1940, requiring certain classes of professional engineers and scientists to enrol with the Central Register.¹ A little later in the same month, the obligation to enrol with the Register was extended to economists, physicists, and quantity surveyors.²

Unemployment among certain types of professional and

¹ *Ministry of Labour Gazette*, July 1940, p. 207. The Order applies, with the exception of persons registered or serving with the Armed Forces, to all persons in a consultant, technical or supervisory capacity in design, construction, manufacture, operation or maintenance, and who have a regular training in aeronautical, automobile, chemical, civil and structural, electrical, gas, locomotive, or mechanical, engineering; to all production engineers; and to all engineering scientists.

² *Ministry of Labour Gazette*, Aug. 1940, p. 236. This Order was effective 20 July 1940.

white collar workers continued at a high level owing to war dislocations of employment. The employment exchanges were not as well equipped for dealing with this type of unemployment as they were for dealing with the needs of the mass of industrial workers of the nation. Thus, a special Supplementary Register was set up to assist persons with technical, professional or business qualifications who needed employment other than that for which the Central Register was appropriate and other than that which the employment exchanges could easily handle. This Register is an extension of the regular service of the employment exchange machinery and is maintained at fifteen selected offices throughout the country. It is used both by Government services and by private firms in filling vacancies.

Orders of 29 March and 28 May 1940 permit the Minister of Supply to require factories to furnish details concerning workers employed by them, classified in broad occupational groups.¹ The object of these Orders is to provide data about the proportion of workers in various important industries employed on war production, on export production, or production for the home market; to give information concerning the distribution of skilled labour; and to assist the Area Boards with problems of production planning. Particulars have been furnished under these Orders for the engineering, motor vehicle, aircraft and ship-building and repairing, chemicals, explosives, metal goods, instruments and other important industries. Returns, which are compulsory, are furnished at quarterly intervals, with modified returns for the intervening months.

The persistent shortage of qualified workers in the engineering trades led to the issuance of an Industrial Registration Order, dated 7 August 1940, designed to indicate the supply and to uncover wastage in the employment of workers qualified to perform essential work. All men in the principal engineering trades who were not engaged wholly on Government work, or other important work calling for skills of which a shortage was reported, were required to register at an employment exchange or local office of the Ministry of Labour and National Service.² Registration was not required of men wholly employed on Government work or of men employed in iron and steel manufacture, shipping sevices, ship-building

¹ The Factory Undertakings (Records and Information) (No. 1) and (No. 2) Orders, 1940, *Ministry of Labour Gazette*, April 1940, p. 125 and June 1940, p. 180. The Industry (Records and Information) (No. 1) Order, 1940, *Ministry of Labour Gazette*, June 1940, p. 180. The terms of the Order and the form of the returns were discussed with representatives of employers and workers.

² The Order applied to all men between the ages of 21 and 65 who were capable of work and who at any time within the last 12 years had been engaged for not less than 12 months in any of the specified occupations.

and repairing or other specified essential industries or maintenance work. Employers, for their part, were compelled to furnish lists of workers affected who were not engaged on Government work, or work designated as essential work, together with certificates covering men who were working full time on such work.¹ As a result of this registration, the employment exchanges have an active file of available munitions workers in their areas, which can be tapped whenever men are needed on urgent work. Moreover, there is an accurate picture of the strength of the present reserve of engineering skill enabling the Government to co-ordinate with this its plans for recruitment, training, and transfer.

A special register of dock workers is kept in each port and is expected to facilitate the mobilisation and transfer of dock labour to areas where workers are most urgently required.² Moreover, with a view to speeding up output in the shipyards, the Minister of Labour and National Service issued, in February 1941, an Order requiring the registration of all men aged 20 or over, capable of work, who had been employed for at least 12 months within the last 15 years in any specified occupation in ship-building or repairing.³

Finally, the International Labour Branch of the Ministry of Labour is charged with obtaining full occupational particulars from all friendly aliens resident in Great Britain and with keeping an up-to-date register of their qualifications and of their employment. This scheme replaces previous arrangements whereby, after registration with an employment exchange, approved aliens might be granted special permission to engage on essential work of some kind.

Registration of Men called for Military Service.

At the same time as these special registers were being compiled, men belonging to specified age classes (the range now extends from 18 to 40) registered for military service, by successive groups, through the employment exchanges or local offices of the Ministry of Labour. Full and accurate information concerning their vocational qualifications is obtained through this registration, and the statement of each man is checked by obtaining a confirmatory statement from his employer. This information not only provides the basis for the

¹ *Ministry of Labour Gazette*, Aug. 1940, p. 236.

² Registration was at first voluntary; it became compulsory by an Order dated 18 June 1940: The Dock Labour (Compulsory Registration) Order, 1940. *Ministry of Labour Gazette*, July 1940, p. 206.

³ It was recognised that, during the depression, many ship-building workers had left the industry and, if found, could regain their former skills with little difficulty and help to meet the present acute shortage. A list of occupations is included in the Order. Exception is made for men clearly engaged at the time on ship-building or repairing but not for men engaged in other work of essential importance. (Ministry of Labour and National Service, Release of 28 Feb. 1941.)

application of the Schedule of Reserved Occupations and Protected Work, but, at the same time, provides a considerable amount of useful information regarding the male labour supply in general and that available for particular industries.

General Survey.

In June 1940, the Government ordered a survey of the nation's man-power to be carried out under the direction of Sir William Beveridge. This analysis, which is continuous in character and based in part upon the information of the employment exchanges and special registers, covered all types of man-power—men, women, and young persons, whether in or out of employment. Reports on the survey were to include suggestions to the Minister of Labour concerning the best methods of mobilising and utilising the services of the population for war purposes.

Registration for Employment Order.

Towards the end of 1940, the low reserves of unemployed workers on the one hand, and on the other, the growing stringency of the employment market, indicated the need to mobilise for war employment the remaining resources of the population. The first preliminary to action in this direction was accurate information concerning the size and extent of these reserves. In March 1941, therefore, the Registration for Employment Order was promulgated and came into effect in April.

The purpose of the Order, according to the Ministry of Labour and National Service, is to survey the available labour force in the country with a view to selecting those who are likely to be useful to the war effort, whether they are in employment or not.¹ The Order extends the obligation to register with an employment exchange or local office of the Ministry to the remainder of the adult population of Great Britain.

Men already registered under the Armed Forces Act will not be required to register again, but further particulars may be obtained from those of them who have not been called for military service, if and when such information is required for the purpose of selecting men for transfer to more essential

¹ MINISTRY OF LABOUR AND NATIONAL SERVICE: Release of 17 March 1941, describing the application of the Order. In Sept. 1939, a national register of every inhabitant in Britain had been compiled. The purpose was not primarily to secure occupational data, however, and although each person was asked to give his age and occupation among other details and to inform the local registry offices of any change in occupation, the registration was almost wholly for purposes of general identification, to supplement the 1931 census. Thus, although the register helped to obtain a comprehensive picture of man and woman power, it was not sufficiently detailed to serve by itself as a guide to labour mobilisation and distribution policy.

work. Women will be required to register, except those engaged on full-time and paid service with the Armed Forces, nursing or other essential defence work.¹ Both men and women must register under this Order whether or not they have already been enrolled with one of the special registers mentioned above. The registration is to be carried out by age classes, or in any other way decided by the Minister of Labour.² The first groups to register, in April 1941, were men aged 41 and 42 and women aged 20 and 21.

With a view to selecting individuals to meet current demands and to create a pool for meeting future demands, registration is to be followed by selection interviews, in groups based on the results of the survey of the registration. This interview is to determine whether an individual registrant could be expected to take up employment of importance at once, no matter where it might be, what kind of work the registrant desired or was suitable to perform, and to give him or her details of existing employment opportunities. It is emphasised that freedom of choice is to be retained so far as it is compatible with the national interest and that decisions in individual cases are to be arrived at, wherever possible, by joint agreement between the potential war worker and the employment officers. A register of persons ready and able to take up work of national importance and to be transferred, if necessary, at short notice, is to be kept, and the Ministry of Labour is urging all persons not to wait for compulsory registration of their group but to volunteer their services at once.

INVENTORY OF LABOUR REQUIREMENTS

During the first months of war, it was difficult for any individual employer or for any one industry to state with any precision or assurance what labour would be needed within the next six months or even within a shorter period. The only sure basis of forecast which an employer had was a contract which he had already secured or which he had promised to him.

In April 1940, the Factory Undertakings (Records and Information) (No. 1) Order, 1940, was issued, giving power to the Minister of Supply to require any employer to furnish, on specified forms, particulars regarding the products manufactured and the labour employed.³ These returns, which are ob-

¹ On leaving any such service, however, they are required to register.

² The Minister may require registration by age groups within regions or by age groups within occupations, within regions or nationally, or in any other way. In deciding the intervals at which groups of women shall register and the principles governing their allocation to work, the Minister is advised by a Women's Consultative Committee, set up on 13 March 1941.

³ Text of Order in *Ministry of Labour Gazette*, April 1940, p. 125. A second Order was issued by the Ministry of Supply, under Regulation 55 of the Defence (General) Regulations, 1939, on 28 May 1940.

tained (as a rule) at quarterly intervals, are obtained for almost all the important industries of the country (see above). They serve three purposes, as was mentioned:

- (1) They provide information about the proportion of labour in certain vital industries which is employed on production for the war effort, for the export trade, or for the home market;
- (2) They yield information concerning the distribution of skilled labour among the various industries;
- (3) They are of use to the Area Boards in planning production and dealing with production problems.

With the reorganisation of the Government Departments and agencies related to production planning and the maintenance of essential services which took place in late May and June 1940, more order was introduced in the central planning machinery. Area machinery was set into effective operation, and local machinery was put in motion in important industrial areas. Gradually the frame-work for longer-term production planning, for allocating contracts effectively, and for determining labour requirements by areas, by plants, and by occupations, was built up by the Government and employers and workers together.

Close co-operation of the Ministries concerned with production and supply is assured by various inter-departmental committees and agencies. The Board of Trade, as well, works in close co-operation with the Ministries in its work of concentrating production in the plants best equipped, under present circumstances, for producing the goods needed and of slowing down or stopping the production of non-essential goods in various ways; the Industrial and Export Council, in turn, works in constant touch with the Board of Trade. Together, all these agencies form a production executive capable of balancing, one against another, the various kinds of essential production with a view to establishing priorities for the labour requirements of employers performing work of greater importance.

The Area Boards, organised under the Industrial Capacity Committee, have a particularly important function. They seek out latent productive capacity in each area; and they help individual employers to determine their labour requirements and to use their available labour force to best advantage. Under the Regional Commissioners, the Boards would serve as controllers of war production in their areas in the event of a break-down in communications. Moreover, the Local Labour Supply Committees established in important industrial areas¹ include among their functions that of analysing local labour requirements in relation to the available supply. Both the Area Boards and the Local Committees are assisted by In-

¹ See below, chapter VI, Organisation (Great Britain).

spectors of Labour Supply who inspect undertakings within their respective areas partly for the purpose of estimating employers' labour requirements.

It is the employment exchange machinery, however, which provides the main channel for bringing together information regarding labour requirements and available labour supply. Co-ordinated with the Area Boards and Local Committees and working closely with the labour supply officers of the Ministry of Labour and National Service, the exchanges estimate labour requirements on a national, regional, and local basis, and take action to meet existing or impending shortages. Employers notify the exchanges of any changes in their labour requirements. If they need more workers, they tell the exchanges how many and what types of workers are necessary. If they anticipate that some of their own workers will be on idle time, or suspended or discharged, they are requested to notify the nearest exchange of this fact, indicating the occupations of the employees affected, so that the exchanges can shift the workers, temporarily or otherwise, to employers who have indicated that they need such workers urgently. There is no legal obligation (other than the measures noted in chapter II) for employers to notify employment exchanges of their labour requirements. It is in many cases, however, a practical necessity, as well as a convenience.

France

INVENTORY OF LABOUR SUPPLY

Before the war broke out, a census had been taken in France of workers in the engineering and metal-working industries, of chemists, and of technicians and other specialists. This registration of essential workers was carried out by the departmental and regional labour inspectors, and the results of the census were available before the outbreak of war. The files of the employment offices were analysed and material relating to unemployed workers was made available to the Minister of Labour.

These registers were insufficient, however, to meet the anticipated demands of war and other essential industries for suitable workers. Thus, in applying the system of individual requisitioning, it was provided that a register of persons whose services could be requisitioned must be kept in each department and that the persons concerned must furnish details of their vocational qualifications and addresses.

The Decree of 28 February 1940, providing for the substitution of female for male labour in certain occupations, stipulated that a census should be taken, within two months, of female workers available for work. The results of the census were to be examined by the Ministry of Labour. At first, registration was to proceed on a voluntary basis, but if the need

for women workers exceeded the numbers who came forward voluntarily, a compulsory census was to be taken. No results of this census of the country's woman-power were made public before May 1940.

INVENTORY OF LABOUR REQUIREMENTS

Information regarding the general labour requirements of public and private undertakings was centralised in the Ministry of Labour. One of the specific functions of the Minister of Labour in time of war was to demand and collect information concerning the general labour requirements of all public services and private undertakings. Locally and regionally, the agents of centralisation were the labour inspectors who, in co-operation with the representatives of other Ministries concerned, received requests for workers from employers and reports on their anticipated requirements.

On a regional basis, a large part of the estimation of labour requirements was carried out by the regional economic authorities set up by an Order of 28 September 1938 which came into force at the outbreak of war. The functions of these authorities, as defined by an Order of 30 November 1939, included the ascertainment of the labour requirements of all commercial and industrial establishments supplying the needs of the civilian population and of the export trade in their area. These authorities worked in close co-ordination with the departmental and regional inspectors of the Ministry of Labour.

It has already been mentioned that employers were required to use the employment offices exclusively in engaging specified categories of workers.¹ Moreover, employers in defence industries were required to notify the employment offices of their labour requirements eight days before engaging additional workers. All of these provisions were designed to regulate the engagement of workers in accordance with production requirements and to provide the public authorities with the information which they needed in order to safeguard the labour supply available for essential industries.

Germany

INVENTORY OF LABOUR SUPPLY²

At the time when defence industries began to expand in Germany, the country possessed unemployment statistics which were sufficiently complete and detailed to enable the authorities to carry out a systematic absorption of unemploy-

¹ See chapter II (France).

² Available information is too incomplete to permit any description of German methods of ascertaining labour requirements. Therefore, only the methods of obtaining data regarding labour supply are dealt with in this section.

ment. These statistics were the outcome of an extensive application of unemployment insurance and assistance coupled with a highly developed placement system. As soon as a shortage of workers began to appear in certain sectors of the employment market, making it necessary to draw on other than unemployed labour, steps had to be taken to supply the employment offices with information concerning workers who could be transferred from one employment to another. The gradual introduction of the system of employment books provided a method not only of controlling the movements of workers but of compiling and keeping up-to-date a complete index of available workers.

This system was introduced by an Act of 26 February 1935, and applied by an Order of the Minister of Labour of 16 May and an Order of the President of the National Institution of Employment Exchanges and Unemployment Insurance of 18 May of the same year. The Act of 26 February established the general rule that, in order to ensure a proper distribution of labour throughout the country, no worker or salaried employee might be engaged in any undertaking unless he held an employment book issued by a public employment office. Under the Order of 16 May, this rule was extended to every worker or salaried employee in regular paid employment and earning not more than 1000 RM. a month. Foreign nationals employed and domiciled in Germany were also covered and the only exceptions related to classes of employed persons who were required under previous legislation to possess documents of a similar nature (seamen, home-workers, young workers, etc.).

Each book must give the name, date of birth, marital condition, and domicile of the holder and particulars as to his training and vocational career. As soon as he enters an employment, the worker must hand the book to his employer, who keeps it and returns it to him when he leaves the undertaking. The employer makes the appropriate entries, including the date when the worker takes up the position, the type of employment, any changes which occur, and the date at which he leaves. The employment office must be notified of every such entry. The employment offices register all the books they issue and copy on cards all the particulars recorded in the books, so that each individual card, as well as each book, gives a full record of the worker's career. The information so provided enables the employment offices to allocate employment in accordance with the workers' qualifications and to control their movements from one job to another.

The official estimate at the time the system was introduced was that about 21,000,000 persons would have to be provided with books. As it was impossible to prepare this number all at once, the President of the National Institution decided to apply the scheme by stages. Beginning with sixteen indus-

tries (including the metal and building trades, engineering and chemical industries), it was extended to other economic branches by Orders of 14 September 1935 and 20 January 1936. Once this had been done, the possession of an employment book was made compulsory for all workers by an Order of 7 August 1936, effective 1 September 1936. Thus, at the time when the first Four-Year Plan was put into operation in the autumn of 1936, the authorities already possessed the necessary information for the application of a policy of allocation and redistribution of labour supply designed to meet the requirements of rearmament.

This system of obtaining information has remained untouched, but has been supplemented by measures mainly intended to cover all the available labour resources of the country. An Order of 1 March 1938 requires all boys under 21 years of age to register on completion of their primary, secondary or higher education; the registration must be effected by the legal representative of each young person within a fortnight after the termination of his studies. Moreover, all workers who become unemployed are required to register immediately with an employment office. Finally, when the system of compulsory labour service was introduced, all able-bodied women, whether married or single, were asked to fill in a questionnaire which provided information on their special vocational qualifications.

Another interesting development is that the employment offices have been required, since the beginning of 1940, to keep not only a general card index of employment books but a special card index for each undertaking, for the purpose of facilitating control of the utilisation of labour and of following the progress made by the various undertakings with regard to the engagement of women workers, vocational training, and up-grading.

Canada

INVENTORY OF LABOUR SUPPLY

Soon after the war began, a conference of Dominion and Provincial placement officers was held to discuss various problems of labour supply. Recognising the need for a comprehensive inventory of the nation's human resources, it was decided to undertake, through the Employment Service of Canada, a nation-wide survey of the availability and vocational qualifications of skilled and semi-skilled workers fitted by training and experience for employment in essential industries. Registration was on a voluntary basis, and the Employment Service has been engaged in keeping the registers up to date and in verifying the skills reported by the applicants.

In addition, trade unions throughout the Dominion carried out an inventory of both their employed and their unemployed

members in order to assist in locating skilled and specialised workers who were forced out of their trades during the depression years. Unions with members in occupations required for war purposes were asked to submit lists of unemployed or partially employed members or members employed in non-essential industries or those with required skill working in other occupations.

The supply of professional technicians of all kinds was canvassed with the help of various professional institutions. A list of technicians was submitted to the Government, and technicians from the list have been referred to Government Departments and to employers, on their request.

Finally, the National Registration, carried out in August 1940, provided occupational information concerning the country's labour force. The results of this registration have been tabulated by the Division of Human Resources, Department of National War Services, in conjunction with the Bureau of Statistics, and will be studied by the Division in co-operation with the Department of Labour.

INVENTORY OF LABOUR REQUIREMENTS

The Government, with the active assistance of employers, has been carrying out surveys of the number and qualifications of workers required in each industry producing essential goods, in each plant, and in each portion of each plant. Field visits supplemented returns by mail from war contractors. The most comprehensive survey was carried out early in 1941; the estimates made are being checked, and will be revised if necessary. It is planned to continue such surveys of labour requirements from time to time. The process will be facilitated in future by a new plan for industrial zoning of the Dominion. The chairman and Committee for each zone, working in direct conjunction with the Department of Munitions and Supply, are charged with collecting and maintaining current industrial information, including information regarding labour requirements and labour available.

United States

INVENTORY OF LABOUR SUPPLY

The United States recognised from the start of its defence programme that one of the first preliminaries to employment organisation for defence was a comprehensive inventory of the country's labour supply. The United States Employment Service is the primary agency designated by the Government to provide information on the location and extent of the labour resources available for defence industries.

In addition to general data derived from the Census taken in 1940, inventories of unemployed workers have been taken by the Employment Service, by the Work Projects Administration and other relief agencies, and by trade unions. Moreover, a campaign for nation-wide registration with State employment offices of workers available for defence industries, whether unemployed or employed below their skill categories, has been launched. Finally, occupational information was required of all registrants under the Selective Service Act, adopted in 1940.

Inventories of the Employment Service.

When the United States entered upon its defence programme, it had a tremendous reserve of unemployed workers. The first step, therefore, was to analyse the occupational characteristics of these workers in order to place, or to direct to training, those suitable for defence industries.

In April 1940, the Employment Service undertook an analysis of the 5,100,000 job-seekers registered with employment offices throughout the country, classifying the registrants by age and occupation and noting those with skills or experience in occupations necessary to the defence programme. This inventory has been followed by other special surveys at regular intervals and by re-examinations of previously registered applicants. The Employment Service thus has an up-to-date labour supply register of workers available in a list of over 500 selected defence occupations. It is in a position, at any given moment, to estimate roughly the reserve supply in any particular occupation and to warn of shortages in sufficient time.

Although there is no obligation upon unemployed workers (except those eligible for insurance benefits)¹ to register with an employment office, all workers have been urged to register with the Service and to utilise its facilities on all occasions. There has been, in the last year, a marked increase in the coverage by the employment offices of the unemployed population of the whole country.

Inventory of W. P. A. Workers.

In addition, the employment background of over 2,500,000 persons on or awaiting assignment to Work Projects Administration employment have been scrutinised in order to detect skills which could be utilised in expanding defence industries. Instructions have been sent to all State W.P.A. Administrators to establish a uniform Defense Industries Employment

¹ Persons in receipt of some forms of public relief are also required to register with an employment office.

Register which indicates, for each present W.P.A. worker and for each worker on the waiting list, either the skill in which he is already proficient or the skill in which he can be trained. The Register is reported to be an accurate index of the vocational qualifications of a large portion of the able-bodied unemployed and to supplement the information in possession of employment offices. A list of occupations designated as essential to the defence programme has been sent to each State Administrator, and at first it is planned to confine the Register to persons suitable for placement in these occupations. The list is subject to revision and to supplementation as industrial conditions change.

Inventory of Skilled Unionists.

Many trade unions throughout the country have been requested by the Associate Director General of the Office of Production Management to make a complete survey of their members who are either unemployed or employed out of their usual occupation or grade of skill. Data obtained in this way supplement other steps taken to determine and to classify the existing supply of trained labour for defence industries. The surveys of the trade unions are of particular value in discovering skilled workers who were forced, during the depression, to accept less skilled or non-industrial work.

National Registration of Defence Workers.

In March 1941, the Office of Production Management asked the Employment Service to conduct a special registration of all workers available for defence jobs. This request was motivated largely by growing concern about the adequacy of the supply of workers available for defence industries. All unemployed workers seeking employment have been asked to register immediately and all workers with skills useful to the defence effort which are not being fully used in their present jobs have also been urged to register. If a worker is employed in a vital defence industry, such as ship-building, machinery manufacturing or aircraft, he is not encouraged or requested to register. Workers in employment who possess defence skills which are not fully utilised are not urged to leave their present jobs, but merely to register their qualifications so that they may be called upon when and if needed in an important defence industry. The registration is being conducted entirely on a voluntary basis.¹

INVENTORY OF LABOUR REQUIREMENTS

In addition to estimates of labour requirements compiled by individual employers or groups of employers in accordance

¹ FEDERAL SECURITY AGENCY, SOCIAL SECURITY BOARD: Release of 14 March 1941.

with their customary procedure of employment forecasting, two Government agencies are responsible for estimating the labour requirements of major defence industries: The Bureau of Labor Statistics of the Department of Labor is in charge of estimating long-term labour requirements of defence industries, and the Bureau of Employment Security of the Federal Security Agency is responsible for the determination of the short-term requirements of these industries.¹ The work of both of these agencies is co-ordinated by the Labor Division of the Office of Production Management.

Reports on labour requirements estimated for the aircraft industry and for ship-building and repairing have already been published by the Bureau of Labor Statistics. Analyses covering other important defence industries are in preparation. The reports estimate labour requirements with reference to the total number of additional workers who will be needed, the occupation and skill which these workers must possess, the geographical location of the new jobs, and any other factors which may be relevant to a given defence industry. The estimates are based on contracts awarded. Employers report to the Bureau of Labor Statistics their present employment and the number of man-hours of work required to fill their orders. On this basis, it is possible to estimate the number of man-hours per month which must be worked in order to keep production up to schedule. Analyses of contracts as they are allocated permit the Bureau to keep up to date its estimates of long-term labour requirements for defence.

The results of these surveys give a rough general picture of the numbers, classifications, and locations of new jobs which must be filled to keep defence production on schedule. The picture can be broken down into more detail for use in the various States and in industrial localities.

In order to analyse the local demand for labour, representatives of the employment offices call every month upon employers in a selected list of defence industries, obtaining information on the latter's estimated labour needs for the next six months. The representatives find out the number of workers the employer expects to hire or to lay off and whether he anticipates a shortage of any type of worker. They note such factors as new contracts, plans for plant expansion, opening of previously closed plants, or the introduction of a two or three shift system. At the same time, data are obtained about the hiring practices of the employer and his standards of selection for his labour force. The information obtained by each local office is summarised in a monthly statement sent to each State employment service headquarters, and a State-wide summary is forwarded by each State service to

¹ In addition, the Army Ordnance Division and the Navy Shore Establishments Division prepare estimates of probable labour demands in undertakings under their control.

Washington. The Federal Employment Service then analyses these reports and provides, to the agencies concerned with labour supply policy, a comprehensive picture of labour requirements, co-ordinated with the picture of the available labour supply and its distribution.

At the same time, employers are being urged by the Office of Production Management and by the State employment services to notify employment offices of their present and anticipated labour requirements, and to utilise more fully the facilities of the services in recruiting needed workers. Although this campaign has resulted in a greatly increased use of the services, the Associate Director General of the Office of Production Management stated in May 1941 that one of the greatest difficulties in expediting the defence programme was that employers were not availing themselves fully of workers at their disposal through the Federal and State employment offices.¹

Japan

As a rule, the Japanese Cabinet draws up, from time to time, new estimates of the supply of labour which will be required by the nation's industries over a certain period and indicates the sources from which the Government expects to draw the additional workers necessary. This programme, in broad outline, then goes to the various agencies which fill it in and study its detailed application. The Government has full power, under the General Mobilisation Act, to require both employers and workers to furnish such information as is considered necessary for preparing estimates of the human and material resources of the country.

INVENTORY OF LABOUR SUPPLY

With the gradual extension of aggressive operations against China, it became necessary to utilise the entire supply of skilled labour available in the country and to employ such workers as effectively as possible from the point of view of the national effort. The Government decided, therefore, to inaugurate compulsory registration for specified classes of persons. This was done by five Orders concerning, respectively, persons engaged in the medical profession, technicians and persons with training for or experience in industrial work, seamen, veterinary workers, and persons employed by the Government.

¹ Statement quoted in *The New York Times*, 6 May 1941.

Under the first Order¹ all doctors, dentists, chemists, and hospital attendants of either sex, were required to notify the prefect in whose area they worked of their vocational qualifications.

The scope of the second Order² was very wide; a large section of the population is covered by its terms. All Japanese male subjects between 16 and 50 years of age residing in Japan proper—with the exception of those engaged in military or naval service and attached to the army or navy—who belonged to one of four specified categories were required to notify their vocational qualifications and other details to the local employment offices. Both the workers and their employers were responsible for so notifying the offices. The categories in question were: (1) any person who, at the date the Order was issued, had been engaged regularly for more than three months in one of the occupations specified by the Minister of Welfare³; (2) any person who had been engaged regularly in one of these occupations for more than one year during the five years previous to the date of the Order; (3) any person who had completed a course specified by the Minister of Welfare in an approved university, college or technical school, or any person holding a similar diploma; and (4) any other person specified by the Minister of Welfare. A vocational qualifications booklet was to be delivered to all persons on the register.

The Order concerning seamen, which was promulgated on 28 January 1939⁴, provided that persons belonging to certain groups—with the exception of those in the service of the army or navy, or members of the medical, dental or pharmaceutical professions—must, not later than 15 April 1939, and not later than 15 July in each succeeding year, supply the Maritime Division of the Bureau of Communications in their district of residence with details of their vocational qualifications. The groups in question were: (a) any person holding a seaman's certificate; (b) any person who had completed his training within the three previous years in one of the seamen's training institutes specified by the Minister of Communications,

¹ This Order was issued on 23 Aug. 1938 and came into force on the day of its publication (*Kampo*, 24 Aug. 1938). According to a Government estimate, more than 210,000 persons were affected by it, including about 50,000 doctors, 21,000 dentists, 26,000 chemists, and 113,000 male and female hospital attendants (*Chugai Shogyo Shimpo*, 24 Aug. and 4 Sept. 1939).

² This Order was issued on 6 Jan. 1939 and came into force on 20 Jan. 1939 (*Kampo*, 7 Jan. 1939). The number of persons affected by it was estimated at 5,300,000 (*Naigai Shakai Mondai Chosa Shiryo*, 25 June 1939).

³ In an Order of 18 Jan. 1939, the Minister specified 56 occupations in the metallurgical, machine tool, chemical, transport, and communications industries.

⁴ This Order came into force on the date of its promulgation (*Kampo*, 30 Jan. 1939).

or who had within the three previous years left a vessel on board which he had been serving since completing his training; and (c) any person with more than one year's service on board a vessel covered by the Seamen's Act¹, who had left the vessel within the three previous years.²

The fourth Order required all persons, authorised by the Ministry of Agriculture and Forestry to practise as veterinary doctors, to notify their vocational qualifications to the prefectural authorities of their place of residence once in every four years.³

The fifth Order⁴ applied the provisions of the Order of 6 January 1939, concerning workers with specialised industrial training, to persons in State employment such as, for instance, those in Government undertakings for printing and the manufacture of tobacco or army clothing, with certain modifications.⁵

Special arrangements are in force to investigate the numbers and qualifications of young workers ready to enter into employment for the first time. Investigations of this fresh labour supply are carried out by the employment offices, in co-operation with the schools and local authorities. The offices also investigate opportunities for employment in the different undertakings so that placement of the young people can be carried out at once. The placement officers determine the exact number of juveniles to be employed in each plant, on the basis of information received from the undertakings and the individual aptitudes of the young workers.

INVENTORY OF LABOUR REQUIREMENTS

Simultaneously with the Orders requiring registration of vocational qualifications of the various classes of workers, the

¹ *Kampo*, 14 Aug. 1937; for the text of this Act, see INTERNATIONAL LABOUR OFFICE: *Legislative Series*, 1937—Jap. 1.

² The Order did not refer to persons on board such vessels, since they were already under administrative supervision in consequence of their being registered with competent authorities.

³ This Order was issued on 3 Feb. 1939 and came into force on the day of its publication (*Kampo*, 4 Feb. 1939). The first registration of this kind was to be effected in 1939.

⁴ This was an inter-departmental Order which was issued on 18 Feb. 1939 and came into force on the same day (*Kampo*, 18 Feb. 1939).

⁵ All these five Orders prescribed that the particulars to be notified for registration should include the name, sex, date of birth, place of residence, military status, number in the professional register, specialised branch of the profession practised or studied, professional *curriculum vitae*, income or salary, state of health, and number of dependants, of the person concerned, and any other information specified in Ministerial Orders, as well as a statement showing whether the person concerned was married or unmarried, and willing to accept employment in one of the occupations specified as work of general mobilisation. The Orders also empowered the competent authorities to test or examine the vocational qualifications of the persons on their respective registers and to require them to submit the papers necessary to facilitate supervision.

Government took action to procure regular and sufficiently detailed information concerning the estimated labour requirements of employers.

An Order of 28 November 1939, promulgated by the Minister of Social Welfare, requires all employers or their representatives to submit to the local authorities two statements each year (one at the end of June, the other at the end of December), written on prescribed forms, which show the number of workers employed, estimates of prospective vacancies, the number of workers discharged, and other particulars.¹ The local authorities communicate these statements to the employment offices for their information, but the authorities themselves, on the return of the statements, classify the data and submit the results to the Ministry of Social Welfare. The Ministry may require any employer to furnish any kind of supplementary information or explanations considered necessary. The final results of these enquiries are made available to the employment offices and to the local authorities, to whom appertains the duty of executing various labour supply measures.

¹ *Kambo*, 28 Nov. 1939.

CHAPTER VI

ORGANISATION

Many different Government departments are concerned with the solution of labour supply problems. The success of the departments responsible for the equipment of the fighting forces, for the production of munitions, for the manufacture of the many materials required in the defence programme, for the goods and services needed by the civil population, and for the maintenance of exports, depends largely on the ability of the undertakings which execute their orders to find at all times an adequate supply of suitable workers. The object of labour supply policy is to reconcile these various labour requirements with the general production programme and with the national interest. For the direction and application of the policy, organisation is needed which will prevent the rivalry and incoherence that would result from independent action by the various departments concerned. The usual characteristic of this organisation is that it concentrates responsibility in the hands of a central authority; and the authority which has generally been considered the most competent for this purpose is the department of labour. This department alone, as a rule, is instructed to centralise information concerning the demands for labour arising from the execution of the production programme; to investigate all the different sources of labour supply; and to take the action necessary to enable public and private undertakings to obtain at any time the workers needed by them.

The performance of these tasks raises a two-fold problem of co-ordination. In the first place, the action of the department responsible for directing labour supply policy must be closely co-ordinated with that of all the departments which, within the limits of their competence, control the execution of the production programme. Such co-ordination may be obtained by the creation of special bodies, grouping representatives of all the departments in question around the minister of labour. When a higher authority is set up to direct the whole of the defence programme, co-ordination may be achieved by subordinating the department of labour to that

authority. Secondly, the department of labour itself must co-ordinate under its own authority all the factors which can or do contribute to the organisation of labour supply.

Chief of these factors is undoubtedly the public employment service. Its up-to-date information on the volume and structure of unemployment, its constant relations with employers and workers, and its technical competence in all questions of vocational guidance and selection and of the distribution and transfer of labour, clearly designate it as the machinery to carry out or to control the process of adjusting and redistributing the labour supply as dictated by the requirements of the war economy.

In countries where the employment service had reached a high level of development, and where—acting under the authority of the minister of labour and enjoying the confidence of employers and workers—it co-ordinated labour supply and demand in the local, regional, and national spheres, its functions have been extended, as circumstances required, without change in its general structure. It has been made responsible not only for the absorption into industrial life of the employable unemployed by analysing their capacities, but also for registering workers already in employment who have been requested or required to be prepared to take up work of national importance. Where engagements and dismissals require official consent, the employment service exercises this control. Close collaboration has also been established between the service and the authorities responsible for all types of training, since the employment service is in the best position to state where there is a shortage of workers, what qualifications are needed to fill the available jobs, and how to place the workers who have been trained or retrained. Provision is also made for co-ordination between the employment service and the special bodies which have sometimes been set up to supervise the utilisation of labour by the various undertakings. Lastly, it is through the employment service, or in conjunction with it, that the mobilisation of labour, whether by voluntary or compulsory means, has been effected. Thus, in countries which already had a well-equipped and experienced employment service, there has been a gradual extension of the functions and powers of the service in accordance with the necessity for increasing organisation of the employment market. The employment service has become the central

pivot on which all other parts of the machinery for the application of labour supply policy revolve.

The situation is more difficult in countries which find, in time of emergency, that they have no employment service capable of playing a major part in the organisation of labour supply. The absence of an efficient service is bound to hamper the execution of employment policy. It may even make certain measures completely impracticable. For example, a monopoly of placement and control of engagements and dismissals can produce satisfactory results only if the employment service is able to carry out its duties promptly and adequately. If not, these controls would merely put a stop to the play of supply and demand on the employment market, to the detriment of production; and workers and employers would see in them only an irritating interference with their rights. The absence of an efficient employment service is also a serious lack from the point of view of the organisation of vocational training and of the mobilisation of labour reserves, both of which must be closely co-ordinated with placement policy, as much to ensure that the measures taken do not fall short of needs as to prevent them from resulting in the recruitment and training of workers for whom jobs could not be found afterwards.

The first thing to be done by a country which, faced with the need to organise labour supply for defence, has an inadequate employment service must therefore be to make the service an instrument fit to carry out its policy. It may be necessary to create *ad hoc* bodies to perform certain functions which would normally belong to an employment service, so that urgent needs may be met without over-burdening the service at a time when it is not capable of carrying out all its tasks; but this should never be adopted as a permanent solution and should not be allowed to delay necessary improvements in the service itself. The need to organise employment for purposes of defence provides an exceptional opportunity to develop the public employment system and to make it an integral part of economic activity. This opportunity should be used in the interests of the future as much as of the present, for an active and efficient employment service is a lasting requirement in any country. As a matter of fact, in most countries the development of labour supply policy has entailed the reorganisation, extension, or improvement of

the public employment service. Measures taken have aimed more particularly at the centralisation of the service under the authority of the minister of labour, the strengthening of procedures for inter-local and inter-regional placement, and the control of private agencies and their co-ordination with the public employment offices.

However, the co-ordination of the administrative machinery by the public employment service under a central authority is not sufficient in itself to ensure that labour supply policy will be adequately executed. The machinery must also function in close touch with industrial life, since its activity is directed to meet the needs of industry. Therefore, the co-operation of employers and workers is indispensable for the fulfilment of its tasks. Each chapter of this report has stressed the need of such co-operation and drawn attention to the ways in which employers' organisations and trade unions have an essential part to play in every aspect of employment policy. The co-operation of employers' and workers' representatives with the public employment service is one of the fundamental principles in the Unemployment Convention which was adopted in 1919 by the International Labour Conference and which has been ratified by 31 countries. When the public employment service forms the central pivot of the organisation of labour supply, and when advisory committees comprising representatives of employers and workers are attached to the employment offices, correspondence between the organisation of labour supply and industrial life is already secured to a certain extent. The complexity of labour supply problems in time of war, however, calls for an extension of such collaboration to the many fields concerned. With the increasing pressure of demand on the employment market, employers and workers are called upon to accept restrictions on their freedom of choice, changes in traditions, and amendments to their agreements or rules. In order to prevent friction, to induce the parties to agree to the sacrifice asked of them, and to convince them that those sacrifices are inevitable and that the proposed solution is technically the best, the direct participation of organisations of employers and workers in the framing and application of labour supply policy has a double value. In the first place, it gives the administration the assistance of persons whose experience of industrial life has made them specially competent to solve the problems that arise. Second-

ly, it helps to lessen the psychological difficulties which are bound to arise in the extensive organisation of labour supply.

The following pages describe briefly the organisation for administering labour supply policy in Great Britain, France, Germany, Canada, the United States of America, and Japan.

Great Britain

The organisation and administration of labour supply policy in Great Britain is the primary responsibility of the Ministry of Labour. While the policy itself is, of course, determined in direct relation to the general war-time policy of the whole Government, the Ministry of Labour is responsible for the co-ordination and execution of every aspect of employment policy. Each part of the Ministry's work in this field, however, is carried out in the closest co-operation with industry and labour. Representatives of these groups have an equal share with the Ministry of Labour in the actual formulation, and in recommendations for the application, of labour supply policy. In this way, the practical integration of employment policy with the direct requirements of industry and labour is assured.

ADMINISTRATIVE ORGANISATION

The responsibility of the Minister of Labour for questions of labour supply was not a new departure on the outbreak of war: it was the customary division of function before hostilities occurred. War needs led, however, to an extension of the functions of the Minister and consequently to the adaptation and reinforcement of the machinery for carrying out his tasks.

With the passage of the Emergency Powers (Defence) Act and Regulations thereunder, the powers of the Minister of Labour and National Service were extended to include the control and use of all labour resources in the country. The Minister was empowered to direct any person to perform any specified services, to require any person to register particulars about himself, to enter and to inspect premises, and to require employers to keep such accounts as he considered necessary. Co-ordination of the policy of the Minister of Labour and National Service with that of the whole Government is ensured not only through Cabinet planning, but also through a smaller body, the Production Executive, which is chaired by the Minister of Labour.

To ensure an optimum use of the nation's man-power, and thus to discharge his responsibilities, the Minister of Labour and National Service has set up, under his chairmanship, a

National Labour Supply Board which includes two trade unionists and two industrialists as Directors of Labour Supply. Their function is to develop solutions for the many complex problems of employment organisation, working in close collaboration with trade unions and employers' organisations.

Regional organisation of labour supply is effected largely through Area Boards which are under the control of the Industrial Capacity Committee. The Boards consist of three representatives of workers and three representatives of employers, and one representative each of the Ministries of Supply, Aircraft Production, the Admiralty, Labour, and of the Board of Trade. Their relationship with the Ministry of Labour and National Service is close not only because of their own composition, but also for two further reasons: (1) The Minister of Labour is the chairman of the general policy-making Production Executive, to which the Capacity Committee is attached; and (2) the Inspectors of Labour Supply, officials of the Ministry, work in the closest association with the Area Boards and help them to discharge their tasks. The Boards are charged with uncovering latent productive capacity and securing the best utilisation of industrial plant and of labour in each area. Advisory Committees, composed of equal numbers of representatives of employers and workers, are attached to each Area Board.

Since detailed questions of labour supply must be dealt with on a local as well as a regional basis, Local Labour Supply Committees have been established in each important industrial area to work out the best methods for handling acute local problems. They include a Chief Labour Supply Officer, the manager of the employment exchange, and two specially appointed Labour Supply Officers drawn from among persons with practical working knowledge of industrial working conditions. Local panels of persons, to assist in questions of labour supply for particular industries, have been appointed, where necessary, to work in co-operation with the local Labour Supply Committees.

The duty of inspecting firms to ensure proper utilisation of all kinds of labour, particularly skilled labour, is entrusted to Inspectors (or Officers) of Labour Supply who work in close association with Area Boards, the Labour Supply Committees, and employers and workers. These officers are sent to investigate cases where there is delay in production owing to alleged shortage of labour, and to recommend steps to supply additional workers, to ensure the more effective use of existing labour, or to call attention to the need for better organisation of the supply of materials. There are some four or five hundred Inspectors of Labour Supply, many of whom have been lent by the trade union movement or by industry.

All this machinery relies very heavily on the national system of employment exchanges which is the chief network with re-

gard to the actual execution of labour supply policy. The employment exchanges are a part of the Ministry of Labour and National Service and are operated from the Ministry's headquarters with regional divisions and local offices set up throughout the country. The system of employment exchanges is closely centralised and co-ordinated, and works in constant co-operation with organised employers and workers. Its contribution to the efficient and expeditious application of every aspect of labour supply policy can hardly be over-estimated. This has already been brought into relief in each chapter of the report. The employment exchanges were shown to have an important part in the allocation of man-power between industry and the military forces (for example, in the occupational registration which is necessary for decisions concerning reservation). In the control of employment, the exchanges are the canalising agent for engagement and placement, and are thus in a position to route workers to employments where they are most needed. The training schemes depend on the employment exchanges for such important aspects of training as the recruitment, selection, and placement of the workers to be trained. The exchanges, in agreement with employers and workers, handle all questions of the transference of labour from one area to another, from one plant to another, and from one industry to another. Finally, they constitute the machinery which collates and transmits information regarding the condition and trend of the employment market, which is then utilised in the formulation of policy. Thus the cycle is complete—from the collection and transmission of data on employment needs and resources for the making of policy, to the reception and execution of that policy, and then to its eventual modification in accordance with the experience of the employment exchanges. Without this machinery, few positive results could be obtained. With such machinery, flexible and co-ordinated, the most difficult problems of labour supply can be dealt with competently.

In the field of training, the Ministry of Labour is responsible not only for the supervision of training schemes and for their stimulation and co-ordination, but also for the direct operation of the Government training centres. The Ministry of Labour has always worked in close co-operation with the Ministry of Education and with the Local Education Authorities, and the good relations developed in the pre-war period have been further extended in the course of the war period.

SPECIAL MACHINERY FOR CO-OPERATION WITH EMPLOYERS AND WORKERS

This brief description of present-day administrative organisation in Great Britain is almost enough to show the integral part which employers and workers are playing in the

actual application of labour supply policy. Moreover, the active role of employers and workers in this field was indicated throughout the preceding sections of the report. In addition, however, there is some special machinery for collaboration which should be mentioned.

At the immediate outbreak of war, there was a tendency for the Government of that time to ignore the special experience of organised labour, in planning wartime employment policy. Labour leaders pointed out, in the first month of hostilities, that the Ministries and Departments had been unwilling to co-operate with the trade unions on any matter of importance. Strong protests against this short-sighted policy arose in many parts of the country. As a result, the Prime Minister met with the General Council of the Trades Union Congress, and afterwards gave instructions to all Government departments to establish comprehensive and co-operative working relations with the trade union movement.

At the suggestion of organised labour, a National Joint Advisory Council was set up to advise the Minister of Labour and National Service on matters in which employers and workers have a common interest. The council includes 15 representatives nominated by the British Employers' Confederation and 15 nominated by the Trades Union Congress General Council, with the Minister of Labour as chairman.¹ Its meetings have included discussions on the Schedule of Reserved Occupations, on the application of controls over employment, on dilution, on the training of additional workers for war employment and on labour transference and mobility. A smaller joint committee was appointed in May 1940 to advise the Minister of Labour and National Service on matters of concern to labour and industry. It is known as the Joint Consultative Committee, and consists of 7 members nominated by labour and 7 by industry. This Committee is in constant contact with the Ministry of Labour on almost all questions relating to labour supply policy.

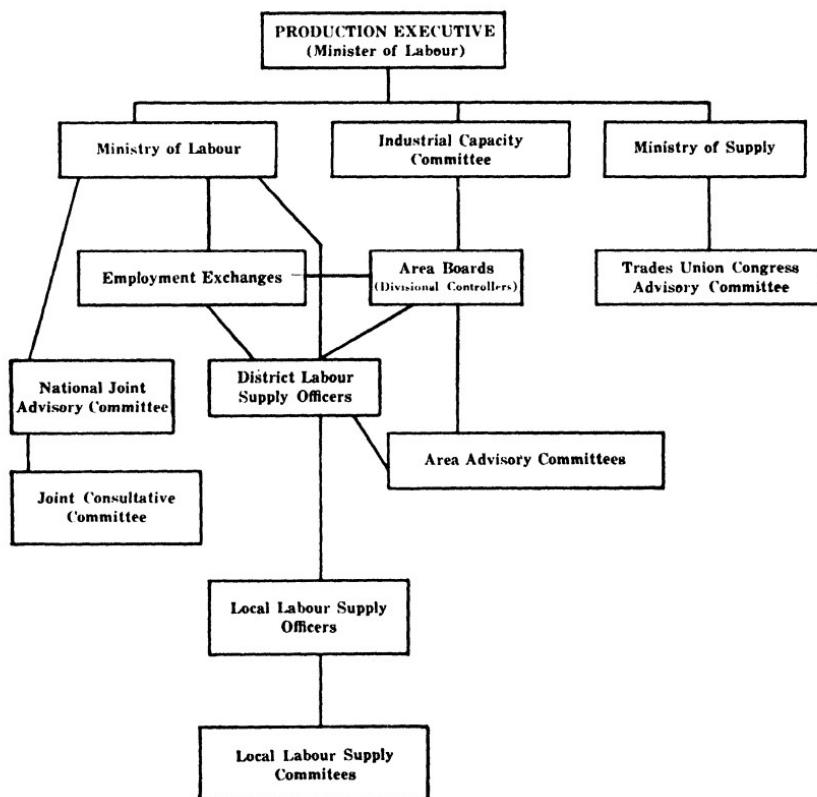
In addition to this central advisory committee to the Minister of Labour and National Service, special joint committees, on a national and regional basis, have been active in discussing the specific problems of particular industries—engineering, for example, ship-building and repairing, printing, and textiles. The recommendations of these committees on matters of labour supply are forwarded for the consideration of the National Joint Advisory Committee or the Ministry of Labour. Local committees, representative of employers and workers of any community, have often met to discuss and to work out

¹ Technical experts and representatives of other Government departments concerned may attend meetings of the Council if and when necessary.

solutions of problems of primarily local concern, and to forward their recommendations to the local or area organisational machinery of the Ministry of Labour.

Thus the process of collaboration between employers and workers and Government authorities is a basic element in national economic organisation for war purposes. It extends from purely routine problems to the most complex difficulties

ADMINISTRATIVE ORGANISATION OF LABOUR SUPPLY POLICY IN GREAT BRITAIN



attendant upon dilution or upon the actual organisation of production for maximum output. This collaboration has immeasurably strengthened the machinery of labour supply organisation, and has also strengthened the whole national structure. It has been indispensable in securing a labour supply policy based on actual experience, and in securing acceptance and execution of this policy.

France**ADMINISTRATIVE ORGANISATION**

In France as well, the administration of labour supply policy was co-ordinated within the Ministry of Labour. A number of special Decrees were adopted, before and immediately after the outbreak of hostilities, designed to secure complete centralisation of the organisation of employment in the hands of a single Minister, with provision for close collaboration between him and the other Ministers concerned, and further, to establish an administrative authority to prepare and to execute plans involved in this centralisation.

A first Decree of 12 April 1939¹ placed the whole organisation and regulation of labour in the hands of the Minister of Labour for the duration of the war. His responsibilities were further defined by Decrees of a later date, in accordance with which he was required:

- (1) To demand and collect in collaboration with other Ministers (Agriculture, Munitions, Public Works, etc.) data relating to the general labour requirements of all public and private enterprises;
- (2) To recruit French civilian workers of both sexes, taking into account the technical indications supplied by the different Ministers;
- (3) To determine the cases in which labour requirements might be met by North African, colonial or foreign workers, and to secure the recruitment, distribution, and utilisation of any such workers;
- (4) To organise and to supervise vocational training for all workers;
- (5) To establish, in agreement with Ministers concerned, general regulations governing the conditions of employment of various categories of workers (*affectés spéciaux*, requisitioned workers, colonial workers, women, foreign workers, war prisoners, etc.);
- (6) To determine, in agreement with other authorities, the occupational and geographical distribution of workers among the different branches of economic activity²;
- (7) To propose any necessary releases of men from the armed forces to meet industrial needs.

¹ *Journal officiel*, 14 April 1939. The Decree, which came into force at the outbreak of war, was issued under the law of 11 July 1938 concerning the organisation of the nation in time of war, and supplemented by the Decree of 15 September 1939 (*Journal officiel*, 16 Sept. 1939).

² The allocation of workers among different establishments was determined by the administrative authorities concerned, and this allocation, together with any transfers or exchanges between and among establishments, was communicated to the Minister of Labour, who had to ensure full utilisation of all labour.

The general supervision of labour was carried out, under the Minister of Labour, by officials already vested with supervisory powers in the establishments and services to which they were accredited, and by labour inspectors and special supervisors.

Further machinery to assist with the execution of labour supply policy was set up by Decrees of 16 and 19 September 1939.¹ This machinery comprised the three following parts:

(1) In each department there was a permanent *departmental service* consisting of the labour inspector and staff of the labour mobilisation service. This service was responsible for centralising all information concerning labour resources and demands for labour from all undertakings engaged in national defence work and from public administrations or services of any kind. It also prepared plans for the adaptation of labour supply to demand, transmitting them to the regional service in each military area.

(2) In each military area, the work of the departmental services was co-ordinated and supervised by a permanent *regional service* consisting of the labour inspector attached to the general Commanding Officer in the area. This inspector worked in close and continuous collaboration with the area General Staff.

(3) Finally, a *National Labour Co-ordination Committee* attached to the Ministry of Labour, was set up to co-ordinate the work of all the departmental and regional services and to draft plans for adjusting labour supply to demand. The Committee was also responsible for the centralisation and collection of information relating to the labour requirements of the various public and private undertakings and for arranging for the allocation of workers among them. It was consulted on any difficulties arising from the execution of labour supply measures which were submitted to it by the Minister of Labour. The Committee consisted of the General Director of Labour, the General Inspector of Labour, and other officials of the Labour Ministry, representatives of the military departments, of the General Staffs of the Army, Navy, and Air Force, of the Supreme Council for National Defence, and of the Ministries of Foreign Affairs, Education, Home Affairs, Colonies, Agriculture, Commerce, and Public Works, together with special representatives of the Departments of Mining and Building. The Minister of Labour (or in his absence, the Secretary-General of the Ministry) acted as the chairman.

These new Decrees concerning administrative organisation for war purposes necessitated various adjustments in the reg-

¹ *Journal officiel*, 17 and 21 Sept. 1939.

ulations governing the employment service and the provision of vocational training.

As far back as 20 March 1939, a Decree had provided for a greater centralisation of the employment offices by making the departmental offices subject to the direct authority of the Ministry of Labour rather than, as before, to the Departmental authorities. Further Decrees in September 1939 strengthened this measure by extending the powers and tightening the supervision and control of the Ministry of Labour over all other employment offices (including private agencies), and by prescribing general procedures to govern all operations for the engagement of workers.¹

With regard to the organisation of vocational training, responsibility was primarily in the hands of the Ministry of Labour, but the Ministry worked in close collaboration with the Department of Technical Education in the Ministry of Education. A Decree of 21 September 1939 specified that the Department of Technical Education was to supervise not only the public vocational training institutions already under the Department but also the activities of all private agencies and centres for training, and, in agreement with the Ministry of Labour, was to co-ordinate their work.² The Minister of Labour was to keep the Minister of Education informed of estimated labour requirements, particularly in the skilled trades, and of the length of the training period. Moreover, the Ministry of Labour was responsible for the distribution of workers among the different training centres and, as a rule, for their placement after training.

SPECIAL MACHINERY FOR CO-OPERATION WITH EMPLOYERS AND WORKERS

During the period preceding the outbreak of war, a certain amount of special machinery for collaboration among the Government, employers, and workers of France on matters of employment organisation had been established. The Superior Labour Council, the National Economic Council, the National Labour Supply Council, and various smaller and more specialised advisory committees, for example, all had something to do with questions of labour supply.

The work of these agencies, however, did not, for various reasons, carry over into the war period. Instead, the Government set up wholly new instruments of collaboration, such as the Social Questions Committee and the Economic Questions Committee, which took over the responsibilities of the larger councils. Special meetings, between representatives of the

¹ *Journal officiel*, 6 and 27 Sept. 1939.

² *Journal officiel*, 27 Sept. 1939.

Ministers of Labour and Munitions and employers' and workers' representatives, led to agreement in principle regarding the value of collaboration in time of emergency. In matters of labour supply, there were a few instances of spontaneous collaboration between representatives of industry and labour. Employers and workers of the metal trades met together, for example, to discuss the effect of war on apprenticeship and to recommend any measures regarding the protection of apprenticeship that might be necessary. But in the agencies set up for the administration of wartime labour supply policy, no place was, as a rule, reserved for representatives of either employers or workers. The only bodies where such representation was provided for under the Act of 1938 concerning national organisation in time of war were district committees entrusted with the supervision and control of workers who were requisitioned for industry. These committees, consisting of equal numbers of employers and workers and chaired by the prefects of the departments, were not designed to participate in the organisation of employment but only to decide such matters as would be brought before them, by the parties affected, concerning the allocation to employment of workers whose services had been requisitioned.

Germany

ADMINISTRATIVE ORGANISATION

When Germany began to rearm on an intensive scale, its public employment service was already highly developed and particularly well equipped and co-ordinated. Since 1927 it had been administered in conjunction with unemployment insurance by a central autonomous body, the National Institution for Employment Exchanges and Unemployment Insurance. In this organisation the National-Socialist Government found ready to hand an instrument that could easily be adjusted to the application of its employment policy. By an Act of 15 May 1934, followed by an Order of the Minister of Economic Affairs of 10 August 1934, it extended the functions of the Institution to cover not only employment market policy (*Arbeitsmarktpolitik*) but also, to use the expression now current in Germany, its allocation of employment policy (*Arbeitseinsatzpolitik*). According to this new conception, the activity of the employment offices was no longer confined to bringing together employers seeking labour and workers seeking employment; their function was also to direct the manpower of the nation into the channels which would secure national production and prevent or eliminate unemployment. This implied a systematic distribution of the whole labour force of the country, combined with measures for vocational guidance and training, placement, and public works.

It has already been shown how such a policy was facilitated by the system of employment books and by the establishment in every employment office of card indexes containing particulars not only of persons seeking employment but also of those actually in employment. It has also been shown that after 1936 the powers of the employment offices were much extended and that by degrees they came to control practically all engagements and dismissals, to co-ordinate training and re-training programmes with the needs of industry, and to be responsible for the full mobilisation of the country's manpower.

It is significant that this extension of the functions and powers of the placement organisation could be carried out without altering its structure. The only substantial changes were the extension of its authority by making other placement institutions subordinate to it or eliminating them altogether, and the abolition of its autonomous status.

An Act of 5 November 1935 laid down the principle that the National Institution for Employment Exchanges and Unemployment Insurance should be the sole authority responsible for employment activities, vocational guidance, and the placement of apprentices. In cases where organisations, which did not belong to the Institution, were authorised to carry on these activities, they were brought under the direct supervision of the President of the Institution. The recruitment and placement of seasonal agricultural workers, including the recruitment of foreign workers for German agriculture, which in the past had been in the hands of a special organisation, were transferred to the National Institution by an Order of 1 July 1935. Extending still further this same principle of administrative unity, the public placement service was made responsible, after the outbreak of hostilities, for allocating prisoners of war to employment and for recruiting foreign workers in occupied territories with the assistance of the local employment offices, which, for this purpose, were reorganised on the German model.

But at the same time as the exclusive competence of the public placement service was extended, the autonomy which had been conferred on the National Institution in 1927 became meaningless. The new policy of allocating labour in relation to the political needs of the State had to be carried out under the general instructions drawn up by the Minister of Labour in pursuance of the Orders of the Commissioner for the Four-Year Plan. This placed the Institution in a position which differed in no material respect from that of an ordinary Government department. The Decree of the Chancellor of the Reich of 21 December 1938 and the Order of the Minister of Labour of 25 March 1939, providing for the transference of the functions of the National Institution to the Ministry of Labour, therefore did no more than sanction

a change which in practice had already taken place gradually. As a result of these measures, the local and provincial employment offices, which used to be self-governing bodies under the Institution, became, as from 1 April 1939, Government bodies placed under the authority of the Minister. The same applied to the National Office for the Distribution of Labour, now known as the National Employment Office. The Minister of Labour has set up a special section under the direction of Dr. Syrup, Secretary of State and former President of the National Institution, to deal with all questions previously falling within the competence of the Institution.

The characteristic features of the present administration of employment policy in Germany are thus, first, the central role of the employment service (comprising the co-ordination by this service of all aspects of the organisation of labour supply) and the very wide executive powers in its possession for this purpose; and second, the direct subordination of the employment service to the instructions issued to it by the Minister of Labour in pursuance of the Government's economic programme, and the strict application of the "leadership" principle which permeates the whole of the organisation.

In a speech made on 1 February 1940, in which he described the work of the employment offices in wartime, the Minister of Labour explained in the following terms the principle on which the organisation of the offices is based:

"It is necessary to have a simple and elastic administrative organisation which can adjust itself rapidly to changing needs. In an authoritarian State such an organisation must be based on clear instructions transmitted from the highest to the lowest ranks of the hierarchy, for otherwise the orderly performance of great national tasks cannot be guaranteed. It is precisely in times of a general shortage of labour that the organisation of the employment offices calls for strong and permanent central guidance in accordance with the political needs of the time. The influence of local elements would involve disturbance of the general plan and would endanger the carrying out of the allotted tasks."¹

Canada

ADMINISTRATIVE ORGANISATION

In Canada, one of the first steps necessary to the organisation of the national labour supply for war purposes was an expansion of the facilities of the Employment Service. A Conference held soon after the outbreak of the war (in October 1939) to discuss the role of the Employment Service in wartime came to agreement that the Service must play an

¹ *Reichsarbeitsblatt*, No. 4, 1940, Part V, p. 53.

important part in organising employment during the war. In accordance with provisions of the Unemployment Insurance Act 1940, the Service was placed under Dominion control and is now being expanded and reorganised. As a result, it will henceforward be in a stronger position to direct and co-ordinate placement and training work throughout the country and to collect and analyse information concerning labour supply and demand.

Moreover, since the war began, progress has been made in getting the Employment Service generally used both by employers and by workers.¹ The reorganisation of the Service in connection with the unemployment insurance scheme will have the practical effect of widening the use of the Service, since the liaison between the two institutions gives the employment offices rather direct control of the placement of unemployed insured workers. Government Departments and Services have been urged to make use of the facilities of employment offices in filling vacancies not covered by the Civil Service registers.

Although the Employment Service is a major executive agency in matters relating to the organisation of labour supply, many other branches of the Government take decisions of importance affecting the employment market. And as an Order in Council noted, "unless unified planning and co-ordination in the work of the various agencies are secured, efforts to deal effectively with the matters affecting labour will be seriously hampered, especially as the problems involved become more acute". In the fall of 1940, therefore, an Inter-Departmental Committee on Labour Co-ordination was set up, composed of the Deputy Minister of Labour, representatives of the Departments of Finance, Defence, National War Services, and Munitions and Supply, and the National Labour Supply Council.² This Committee is the major planning and policy-making agency in the field of employment organisation for war purposes. It is charged with promoting co-ordination; anticipating labour requirements on the one hand and the training needs of all groups of workers on the other; maintaining contacts with war industries, employers, and workers; eliminating competition; and formulating plans for the transfer of employers and workers from one industry to another with a minimum of dislocation.³

¹ A declaration of principles by the Government concerning wartime industrial relations urged: (1) that the attention of employers should be drawn to the facilities of the local offices of the Employment Service, and (2) that in hiring workers employers should be encouraged to take advantage of these facilities to the fullest possible extent (*Canada Gazette*, 20 June 1940).

² Order in Council dated 25 Oct. 1940. The composition of the Labour Supply Council is described below.

³ One of the most important tasks performed by the Committee has been the preparation of a report on labour requirements for war industry, together with recommendations for the war emergency training programme. (The text is included in *The Labour Gazette*, Jan. 1941, p. 14 ff.)

The administration of the war emergency training programme of 1941 illustrates a division of responsibilities between the Dominion and the Provinces. The programme is administered through the machinery of the youth training scheme in the Department of Labour. In each Province the organisation is under the direct supervision of a single provincial department or, where several departments are concerned, of an inter-departmental committee. A full-time Director, acceptable both to the Dominion Department of Labour and to the provincial departments concerned, has full control of the programme in the Province and is paid by the Dominion Department of Labour. Under the Director, are two persons entitled the Director of Training and the Director of Selection and Placement, whose general responsibilities are indicated by their titles and who carry out these responsibilities in close co-operation with local offices of the Employment Service and other agencies or persons concerned. Each Provincial Director or Directing Committee determines for itself whether or not to establish advisory committees representative of employers and workers. The Dominion pays specified expenses connected with the training programme in each Province, and, in return, accepts the responsibility for supervising the training given and requesting amendments or extensions as circumstances may require.

SPECIAL MACHINERY FOR CO-OPERATION WITH EMPLOYERS AND WORKERS

The action of the Government is dependent, in turn, upon the active co-operation of employers and workers. An Order in Council, carrying out certain aspects of the Government's declaration of principles governing industrial relations, established a National Labour Supply Council to advise and report on all matters relating to the supply of workers.¹ The Council is made up of an independent chairman, appointed by the Minister of Labour, and of five representatives of employers and five of workers, chosen after consultation with the most representative organisations of these groups. The Council has dealt, in its meetings, with a series of problems connected with the inventory of the labour supply and job requirements, the placement, training, and distribution of workers, and industrial difficulties caused by enlistment and military service.

There has been some criticism by the labour movement of the Government's negligence in calling upon the co-operation of trade union representatives who have announced their willingness to co-operate in every way with the Government and with employers on questions of labour supply. As the President of the Trades and Labour Congress of Canada (Mr. Tom Moore) said in his 1941 New Year's Message: "Labour . . .

¹ *Canada Gazette*, 20 June 1940.

seeks what has often been promised, a place of equality in the councils of the nation and a full opportunity to contribute from its knowledge and experience towards the success of the war effort and the planning for the days to follow."¹

United States

ADMINISTRATIVE ORGANISATION

The United States began to execute its large-scale defence programme with an administrative structure which was recognised to be unfitted to meet the new and urgent needs accompanying industrial organisation for defence. Thus, many modifications have already been made in the administrative machinery, and many additional changes are forecast. The following brief summary must therefore be taken as showing the position at one given moment only, after approximately one year of the defence programme.

Labour Division of the O. P. M.

The major executive and co-ordinating agency in the field of labour supply is the Labor Division of the Office of Production Management, which includes a Labor Supply Section and a Training Within Industry Section. Working "in close co-operation with, and utilising to the maximum extent compatible with efficiency, all appropriate departments and agencies of the Federal Government", the responsibilities of the Labor Division include the following tasks:

- (a) To ascertain labour requirements for national defence;
- (b) To develop programmes and co-ordinate efforts for assuring an adequate and trained labour supply for defence purposes;
- (c) To advise and collaborate with all other divisions of the Office of Production Management on matters affecting labour.²

The policies of the Labor Division are naturally determined in relation to those of the national defence programme as a whole, as enunciated through the Office of Production Management, through the Office for Emergency Management (from which stems the executive authority of most of the defence agencies and committees), through national legislation, and through the President and his cabinet. In carrying out its policies, the Labor Division has relied upon the normal functioning of the regular Government departments and services

¹ *The Labour Gazette*, Jan. 1941, p. 4.

² OFFICE OF PRODUCTION MANAGEMENT: Regulation No. 5, 17 March 1941. •

at the Federal, State, and local level, and has introduced new machinery only when the machinery already in existence was not adequate to new defence needs. In order to ensure co-ordination in its policies, the Associate Director General of the Office of Production Management (who heads the Division) is advised by a Co-ordinating Committee on Labor Supply made up of representatives of the Civil Service Commission, Civilian Conservation Corps, Committee on Apprenticeship, Office of Education, Federal Security Agency, Bureau of Labor Statistics, National Youth Administration, Social Security Board, War Department, Navy Department, and Work Projects Administration.

United States Employment Service.

The United States Employment Service, in the Bureau of Employment Security of the Social Security Board (Federal Security Agency), is a key agency in the administration of labour supply policy. It is organised on a Federal-State basis, with over 1,500 fully equipped local offices scattered throughout the country and an additional 3,000 part-time offices which cover sparsely populated areas. Since the beginning of the defence programme, Federal and State Governments have been encouraging a far wider use of the facilities of the Employment Service both by employers seeking workers and by workers seeking jobs. This campaign has resulted in an expansion of the usefulness of the Service and strengthened its ability to serve as a guide in policy and as a co-ordinator of labour supply and demand. Its procedures have been reappraised and improved; for example, at the end of October 1940, a national system of labour clearance was introduced to supplement existing inter-state clearance systems in dealing with applications for workers in occupations classified as essential to defence.

The functions of the Employment Service are varied. They include the determination of immediate labour requirements of employers; the registration and classification of job applicants; the selection of workers for training; the recommendation to vocational schools of the types of defence occupations for which workers should be trained and the numbers needed in each occupation; arrangements for the transference of workers to new jobs and to new areas as required; and general help with the co-ordination of employment market information and activities on the Federal, State, and local planes.

Training and Retraining.

The agencies administering the training and retraining aspects of labour supply policy are numerous. Although at first there was a certain lack of co-ordination in their activi-

ties, gradually an increasing division of function and responsibility among the various agencies has eliminated duplication of work and strengthened the administrative structure of employment organisation.

Responsibility for apprenticeship training in the defence programme is entrusted to the tripartite Federal Committee on Apprenticeship, the programme of which is administered through the Apprenticeship Unit of the Division of Labor Standards of the Department of Labor. The Committee develops and maintains fair standards in trade apprenticeship programmes and encourages the expansion and intensification of apprenticeship in essential industries. The apprenticeship field staff has been greatly expanded during the last year. The country is now divided into five supervisory regions and over 100 experienced field representatives are stationed in industrial areas to assist in developing or expanding apprenticeship programmes.

The United States Office of Education, within the Federal Security Agency, is responsible for vocational training in the public vocational education institutions throughout the country. The Office works through State Boards for Vocational Education, in co-operation with local Boards of Education and in close association with the national, State, and local offices of the Employment Service.¹ Moreover, the Office of Education is responsible for a large part of the vocational training programmes of the Civilian Conservation Corps, the National Youth Administration, and the Work Projects Administration. Thus, the Director of Defense Training of the Federal Security Agency, appointed in March 1941, supervises and directs the following types of training: pre-employment training in schools; supplementary training in schools for defence workers; off-the-job training for young people employed on N.Y.A. projects; part and full-time engineering defence training; vocational training in camps of the Civilian Conservation Corps; and training provided through the schools to workers employed by the Work Projects Administration.

The Work Projects Administration, the National Youth Administration and the Civilian Conservation Corps all include in their regular activities a considerable amount of on-the-job training, which is supplemented by courses provided through vocational schools, under the supervision of the Director of Defense Training, as was mentioned above. The Civil Service Commission recruits workers for Federal manufacturing establishments in the defence programme which operate under civil service standards (e.g. army and navy arsenals, and shipyards), and encourages extensive inter-

¹ An agreement reached in March 1941 specified the relation between the Office of Education and the Bureau of Employment Security (Employment Service). OFFICE OF PRODUCTION MANAGEMENT: Release of 21 March 1941.

service training programmes for civilian workers for the War and Navy Departments.

All of these various agencies carry out their functions with the assistance of the Labor Supply Section of the Labor Division, which includes an executive assistant on vocational training who is responsible for the co-ordination of these aspects of defence training.

Finally, the development and promotion of intra-plant training and up-grading in defence industries are the responsibility of the Training Within Industry Section of the Labor Division. This programme is administered under the supervision of an executive assistant in the Division, who is assisted by an advisory committee made up of representatives of industry and of labour. Because of the character of the activities of the Section, the administration of the work is very decentralised. The country is divided into 22 regional divisions, based upon Federal Employment Service Regions. Each division is headed by a district representative borrowed from industry and chosen because of his practical experience with the organisation of intra-plant training, and includes a training consultant, together with a panel of expert training and personnel counsellors, to help analyse training needs of defence plants and to set into operation the programmes which they need. Each district representative is assisted by an advisory committee made up of two representatives of employers and two of workers. Since in many respects the techniques and standards of apprentice training must be carried over into up-grading courses, representatives of the Apprenticeship Unit of the Department of Labor serve on all district panels and assist employers in the organisation of up-grading programmes.

SPECIAL MACHINERY FOR CO-OPERATION WITH EMPLOYERS AND WORKERS

The Office of Production Management itself includes an Associate Director General drawn from the ranks of organised labour and a Director General selected from among employers. Moreover, the Labor Division of the O.P.M. is advised and assisted actively by a Labor Policy Advisory Committee which consists of six representatives of the American Federation of Labor, six of the Congress of Industrial Organisations, and four from the Railway Brotherhoods of America. The Committee meets regularly with the Associate Director General of the O.P.M. in order to develop the general labour and labour supply policies of the defence programme.

In addition, representatives of employers and workers compose the Federal Committee on Apprenticeship and take an active part in all national, State, and local apprenticeship programmes. The collaboration of employers and workers

with the Office of Education has been less systematic, although representative local committees advise the vocational schools in many localities.¹ On the other hand, the training-within-industry programme is based entirely on employer-labour co-operation.

It was recognised from the beginning that the assistance of employers and workers was necessary for carrying out the tasks allotted to the Employment Service. Thus, under the Wagner-Peyser Act (which established the Service on a Federal-State basis and provided for grants to the States for the operation of employment offices), provision was made for a tripartite Federal Advisory Council composed of an equal number of representatives of employers and workers, and of persons representing the general public drawn from groups dealing with questions of employment and training. The same Act requires State services to establish advisory committees composed in the same way and recommends the establishment of representative local advisory committees. Soon after the defence programme was launched, the Federal Advisory Council on Employment Security met and issued a report which, among other things, called upon the States "to bring to full strength and effectiveness both State and local advisory councils to the employment service".²

On the whole, the first year of the defence programme has been marked by an increasingly widespread recognition of the absolute necessity for the co-operation of employers' and workers' organisations with the Government on labour supply questions. It has been gradually recognised that their co-operation must extend from policy-making through every aspect of the execution of labour supply policy in the national, State, and local spheres. However, the problem of achieving effective co-operation and of extending it into the practical field of action in every industrial locality is one which has not yet been entirely solved. Although the training-within-industry programme is based wholly on labour-management collaboration, co-operation of employers and trade unions still remains to be developed and expanded in many other parts of the labour supply programme.³

¹ The Director of Labor Supply and Training stated in May that "more than 1,300 national, state, and local committees are now co-operating with school authorities throughout the nation on the development of the training programme". (O.P.M. LABOR DIVISION: Release of 7 May 1941.)

² Report dated 22 June 1940, issued by the SOCIAL SECURITY BOARD, FEDERAL SECURITY AGENCY.

³ With reference to the training programme of the United States, the Labor Committee of the Twentieth Century Fund recommended, in the programme for action adopted by it, that: "In the development of the training programme, management and workers should be consulted at all stages and their views should be given greater weight than those of people who are not directly involved in industry". *Labor and National Defense* (The Twentieth Century Fund, New York, 1941), p. 115. The National Conference on Labor Legislation, which met in Washington in November 1940, also emphasised the importance of active labour and management co-operation on labour supply problems.

Japan**ADMINISTRATIVE ORGANISATION**

In Japan, the development of labour supply policy necessitated a thorough reorganisation and expansion of the employment service in order to make possible a centralised administration by the national Government of matters pertaining to employment organisation.

Until 1936, the primary object of the system of employment offices, organised on a local basis, was to assist in the mitigation of unemployment. With the rapid expansion of munitions industries, however, the employment offices were called upon to provide for the proper distribution of workers among the different branches of economic activity and among the different undertakings. To carry out this task, the supervision and co-ordination of the offices was transferred, in 1936, from the employment office boards in Tokyo and other localities to the prefectural governments under the Department of the Interior. At the same time, the prefectural governments were authorised to set up new offices on their own initiative. The offices were still administered by local governments, however, and they proved inadequate to discharge their responsibilities in connection with the perfecting of the country's war economy. Moreover, the offices had been entrusted with the responsibility for organising vocational training and retraining and for maintaining close contacts with employers in transferring workers from declining to expanding industries. The execution of these tasks required an employment service built on a larger scale and able to act from a national, rather than a local, point of view.

For these reasons, therefore, the Government decided to reorganise the employment office machinery and, even before the passage of the General Mobilisation Act in 1938, had introduced legislation to provide for national management of the offices and an extension of their functions. The Bill was passed and the new Act came into effect on 31 March 1938. The primary purpose of the system of employment offices was henceforward to be the distribution and utilisation of the services of the nation's workers. Vocational guidance and training were also placed under the control of the national Government.

The offices were to be administered by the national Government and no other agency was authorised to undertake placement work. Offices were established throughout the country, with liaison officers in each office charged with keeping in close touch with other offices. Part of the work of each office was carried out by the mayor of each locality, in order that local requirements might be met.

Employment office committees functioned in the central Government and also in various local areas.

In order to make possible a rapid and efficient expansion of the employment service, an Employment Division was set up later in 1938 within the Ministry of Social Welfare and under the direct control of the Minister. The Division includes an *Employment Section*, dealing with re-employment for demobilised men, national employment registration, and matters relating to vocational guidance; a *Supervision Section* which is responsible for the supervision of the employment offices and the training of their personnel, and for the employment office committees; and an *Employment Service Section* responsible for the operation and co-ordination of the employment offices and for the recruitment of workers.

CONCLUSIONS

The preceding chapters are not intended to outline a policy of labour supply that would be valid for every country. The adoption of the various elements of any such policy is a matter of expediency which can be determined only in the light of the special conditions within any one country at any given moment. Analysis of the experience of other countries is of great use at the time when national decisions must be taken; but it is clear that these decisions, exceptional in character as they are, must always be closely adjusted to the specific needs of the particular national situation.

Whatever the policy of labour supply adopted by any country, however, there are a number of general principles which experience has shown should be kept in mind in the interests both of effective policy in the present emergency and of future readjustments to a peace economy. The essential feature of a policy of labour supply formulated to meet defence or war needs is that it modifies the structure of the employment market with reference to changes which are taking place in the whole economic structure. This is largely inevitable. At the same time, it must never be forgotten that it means, for individuals, a restriction of their freedom of movement or an obligation to change their employment, occupation or residence, often at a heavy sacrifice. Nor should it be forgotten that the greater the modification of the structure of the employment market to meet urgent defence needs, the more difficult will it be to solve problems of readjustment when the emergency has come to an end. For both of these reasons, therefore, the structure of the employment market should not be changed more than is absolutely necessary, and precautions should be taken, wherever possible, to facilitate the eventual return to peace conditions.

It is in the light of these considerations that the general conclusions of the report have been formulated.

It is clearly desirable that advantage should be taken of the expansion of employment opportunities in wartime to rehabilitate and prepare for useful employment persons whose

capacity for work has deteriorated as a result of long periods of enforced idleness. Priority in employment should therefore be given to the unemployed, wherever possible, in meeting the increased labour requirements of wartime. The persistence of considerable unemployment at a time when the national economy requires the mobilisation of all national resources is a paradox that involves not only material waste but a wastage of human resources which has serious repercussions on national morale. The unemployed themselves are discouraged, feeling that their services are no longer of any value. Employed workers, for their part, are reluctant to increase their production effort and to accept any dilution of their standards so long as they feel that insufficient attention is being devoted to re-employing the unemployed. Public opinion is dissatisfied and refuses to admit the need to maintain one part of the population in idleness when the achievement of national defence necessitates all the labour and material strength that the country can muster. The struggle against unemployment is thus an integral part of any employment policy designed to meet the needs of essential industries for additional workers. It should aim not only to put to work once more persons who have been unemployed in peace-time but also to find useful work for persons who have been deprived of their jobs by the development of the war economy and for discharged soldiers.

It does not follow, however, that it is necessary to await complete absorption of unemployment before taking other action to meet the labour requirements of expanding industries. On the contrary, experience in every country has shown that the shortage of suitable unemployed available for skilled jobs slows down the re-employment of the less skilled unemployed unless some other way of satisfying the demand for skilled workers is found. Thus, in order to hasten the absorption of the unemployed, it is often necessary to combine steps to re-employ the unemployed with other measures of selection, training, up-grading, and placement.

The complexity of the problems calls for diversity in the solutions adopted, and the authorities must have sufficient latitude in choosing their policy at any given moment. What is important, however, is that in making their choice they keep before them the dominant principle of taking every opportunity to make available to the war economy the labour power of unemployed workers, including men discharged from the armed forces.

The battle against unemployment does not comprise merely the re-employment of workers who, for one reason or another, have been made jobless. It must also include preventive action. The transition from a peace economy to a war economy is apt to involve considerable employment dislocation. Lack of co-ordination between the expansion of defence industries and the contraction of non-essential industries results in throwing workers out of employment without furnishing them with employment useful to the defence effort. Although progress may be made in the absorption of long-term unemployment, the total number of registered unemployed may, in such cases, remain constant or even increase.

Complete synchronisation, of course, is not always possible. The curtailment of non-essential activity is often required for economic reasons, such as the shortage of raw materials, which may be imperative regardless of the exigencies of a rational policy of labour supply. But this does not make it any less desirable, both in the general interest and in the interest of the workers affected, that wherever possible the expansion of defence production should be so planned that the curtailment of non-essential production or the conversion of the plant capacity and labour force of non-essential industry to war needs is effected in such a manner that unemployment is avoided or reduced to a minimum.

The total or partial closure of some undertakings and the re-distribution of their former workers among more essential undertakings are normal consequences of the development of a war economy. When these closures affect undertakings which can in no way be used for carrying out the emergency economic programme, they should be accepted as inevitable and even necessary. But when they are the result of a division of orders among only a portion of the undertakings which are capable of co-operating in the defence programme, they entail unfavourable consequences. On the one hand, they reduce the plant capacity available for defence production, and on the other, they force, unnecessarily, many workers to leave their jobs and to accept other jobs, frequently in another oc-

cipation and sometimes in another district, with all the difficult adjustments which this involves for them and for their families.

It is true, of course, that many undertakings, owing to their size and specialisation, would not in any case be able to participate directly in executing defence orders. They may, however, be enabled to take an indirect yet important part in the programme through sub-contracting or the "farming-out" of contracts. Similar results can be obtained by encouraging undertakings, which are themselves too small to hope for defence contracts, to pool their resources. The continued activity of these plants leads to an enlargement of the productive resources for defence and, at the same time, facilitates eventual readjustment to a peace economy since it restricts the changes effected in the industrial structure and in the structure of employment.

4

Although it is thus possible to avoid considerable transference of labour by a judicious distribution of defence orders, yet the re-allocation of workers remains a basic part of wartime employment policy to the extent necessary to meet pressing labour requirements of essential undertakings which cannot be satisfied by the existing labour force and by the additional workers who can be recruited from among the unemployed.

When this redistribution of labour is the result of restrictions on non-essential activity, it takes place almost automatically, given the fact that workers thrown out of employment have no alternative but to look for work in expanding industries. But when it involves the direct transfer of workers from their present employment to other more important jobs, then it is essential to take into account the natural apprehensions of workers who are asked to make such a change. Aside from the immediate material disadvantages which it may entail, the worker fears the insecurity surrounding the employment offered him in place of his own job. He knows that defence employment is essentially of a temporary character and that the return to peace conditions will deprive him of his work. Most countries have provided some guarantee of future reinstatement in civilian life to workers called for mili-

tary service. For the same reasons, measures should be devised, wherever practicable, to reinstate workers in their previous employment or to provide them with alternative employment on the termination of their service in war industry.

5

Experience in each of the countries taken into consideration in this report shows that the shortage of supervisory staff and skilled workers is one of the greatest difficulties encountered in the initial period of a vast defence programme. Soon thereafter, however, the enormous demand for semi-skilled and specialised workers is one of the major problems that must be solved. Both of these immediate obstacles to defence production must be met primarily through rapid and intensive training and up-grading courses.

The qualitative problem—that of finding increased numbers of supervisory and skilled workers—may be met in part through skilled workers who may be found among the unemployed or in non-essential industries. Still another source of skill may be uncovered among the workers in essential undertakings, many of whom, without undergoing systematic apprenticeship, can be given supplementary training and prepared for jobs requiring higher skill than those which they have been doing. This process of up-grading, usually closely associated with actual production work, is the channel for the development of urgently required supervisory and skilled personnel. At the same time, it is clearly advantageous, both from an economic and a social point of view, to give these workers an opportunity to improve their position and to develop added skill.

The quantitative problem, on the other hand, is one of bringing into defence industries large numbers of relatively inexperienced workers to perform semi-skilled or specialised operations. What training they need must be given rapidly and intensively. The absorption of these workers is, of course, largely dependent upon the full use of schemes of upgrading within the various undertakings, since it is only as lower skilled employments become available through this process that inexperienced workers can be taken on for training and employment. The number of additional semi-skilled work-

ers needed by essential industries is in most cases so enormous that no rigidity in their training is possible. Every method must be tried and judged on its effectiveness in meeting the needs of a given situation in a given industry. Intra-plant training has obvious advantages over other forms of training for most low-skilled and semi-skilled employments. But, although this should be the basic and non-emergency type of training, the contribution that can be made by all the vocational schools and colleges, by special centres and workshops, and through auxiliary training establishments of non-war industries, should not be under-estimated. All these facilities must be co-ordinated with the training being given by employers, in order that duplication of effort may be eliminated and that the extra-plant training given to defence workers may correspond closely with actual industrial needs.

6

The number of additional workers who can be made available for essential industries depends on the expansion of facilities for vocational training and on the rapidity and intensity of the training. In time of emergency, therefore, there is a marked tendency to provide increasingly specialised training which, confined as it is to the absolute essentials of a particular job, makes it possible to reduce appreciably the length of the training period.

Regardless of the inevitability of this tendency, its inherent dangers must not be ignored. The revival of economic activity after the last depression brought into evidence the permanent need for adequate numbers of thoroughly trained workers. The curtailment of apprenticeship during the years of heavy unemployment was later recognised to constitute an obstacle to recovery; and it is now recognised to be one of the major difficulties in carrying out the defence programme. Dilution and the specialisation of workers on particular operations may help to overcome this obstacle in part, but they are primarily emergency measures intended to meet urgent labour requirements which cannot otherwise be met. Systematic apprenticeship, because of its length, cannot meet the present requirements of defence industries. Nevertheless, it is essential to profit by the opportunities created by industrial expansion to reconstitute the quota of skilled workers who will always be

needed in industry. Any modifications which may temporarily be required by the exigencies of defence in the content and length of apprenticeship should, therefore, be kept within narrow limits and should be abolished entirely as soon as possible.

Preoccupation with the provision of rapid and intensive training threatens the effectiveness of all other forms of technical training, as well as apprenticeship. Quick training leads to a continuous shrinkage in the field of knowledge acquired by young trainees, which, in turn, leads to a continuous decline in occupational adaptability. This lack of mobility endangers the future and the security of the workers concerned who, on losing their employment, are not adaptable to or capable of doing other work. It would be a national tragedy if the employment opportunities which have arisen in wartime were to be confined to blind-alley jobs which would leave the workers helpless at the conclusion of the war. Their vocational immaturity would complicate in advance the problems of readjustment of the national economy to peace requirements. It would even be an obstacle to defence production because the increasing numbers of new workers brought into employment must be easily transferable from one job to another in order to meet the changing labour requirements at each stage of the defence programme, or modifications which may be made in the programme, or job vacancies created by military recruitment. The only way of reconciling immediate production requirements with the need for occupational adaptability is by giving to defence workers who have been rapidly prepared for specialised employments every opportunity to increase their skills and their work experience. This process of completing and perfecting training during employment, which is closely linked with up-grading, is thus of particular importance during an emergency period.

The full utilisation of the human resources of a country cannot be achieved merely by a judicious distribution of manpower between the armed forces and industry, by controls of employment and by the mobilisation of all labour reserves. Every factor which affects the regularity of employment and the output of an individual worker should be regarded as relevant to labour supply policy. Positive action should, there-

fore, be taken to eliminate any factor which constitutes a menace to a labour force which is straining to meet urgent production schedules.

The prevention of accidents requires particular attention in time of war. The mobilisation of additional workers brings into industry many workers without experience in their new jobs and many others unaccustomed to employment of any kind, whose inexperience greatly increases accident risks. Moreover, the acceleration of the tempo of work and the introduction of new technical processes are further causes of increases in industrial accidents. To these must be added, in some countries, aggravations which result from blackouts and air raids. Much can be done to lower the frequency of accidents by careful and systematic safety-first instruction, inculcated into the worker from the first day of his or her initiation into a new job. The same vigilance is necessary as regards industrial hygiene. The manufacture of new armaments often requires the use of materials whose effect on the human body is but little known. The employment of large numbers of women in work normally done by men brings new risks, with reference both to accidents and industrial hygiene, which frequently call for special precautions and safety measures.

The length of the working day and week is another factor of great importance. It is invariably tempting to seek increased output through long hours of work. Emergency conditions make it appear natural to ask special effort from the workers and make it possible to obtain this effort. But over-long hours lead in the final analysis to results contrary to those anticipated. Experience both in the last war and in the present war leaves no illusions about the disastrous long-run effects of excessive prolongation of hours of work. Industrial fatigue results in a decline of the level of production below that obtained with normal working hours. Sustained Sunday work leads to absenteeism during the week. Physically fatigued through overstrain, every worker is far more liable to sickness and accident. Many countries have found that efficient multiple-shift organisation, adjusted to the requirements of each industry, is of great value in permitting full utilisation of plant and machinery without overstraining individual workers. There may, of course, be obstacles in the way of shift introduction, even where its efficiency from a production

point of view is beyond question. The greatest of these is the employers' inability to find a supply of supervisory staff, technicians, and skilled workers adequate to make an extra shift possible. But this difficulty only emphasises the urgency of the need to develop additional trained workers through the defence training programme.

Finally, the preservation of the health of all workers is probably the most important complement of all labour supply policy. Sickness is invariably the most frequent cause of absence from work. Both in the general social interest and in the interests of production, therefore, it is imperative, in time of emergency, to establish and to maintain preventive medicine and adequate health care for workers and their families. It is necessary to extend their application to take into account the special conditions of war or defence production. The concentration in expanding industrial centres of vast numbers of defence workers from many parts of a country endangers the general health of the population and threatens to bring about the spread of disease and epidemics, in the absence of preventive action. Overcrowding of all types of dwellings, temporary and otherwise, aggravates this danger. The problem of housing is of special importance when the temporary character of the work being done makes it impracticable to construct new and permanent houses. It is at least necessary that the temporary encampments provided for the workers conform to specified standards as regards quality, space per person and per family, sanitary and sewage facilities, etc. Hospital accommodation should be provided in each centre, with beds, doctors, and nurses in proportion to the number of workers lodged in each area. Moreover, problems of food supply and distribution in overcrowded or expanded defence communities must also be given prompt technical attention. The existence of an emergency may even provide an opportunity to correct errors of the past and to develop a national effort (in countries where this remains a physical possibility) to improve the standards of nutrition of the working population.

Although the initiative in many of these matters must come from the employer and from the Government, the active participation of representatives of the workers is a *sine qua non* of the effective application of all such efforts to avoid human wastage during emergency periods. In addition, the system of labour law enforcement and inspection becomes even

more important in time of increased strain than in peace-time. Rather, therefore, than being curtailed in any way, it should be expanded and co-ordinated so as to avoid all duplication in inspection and enforcement activities.

These are all aspects of social and industrial organisation which are clearly in the immediate interests of war output and they are, at the same time, a basic function of democratic organisation which cannot be ignored, especially during an emergency period. Lack of foresight and planning in these matters will not only lead to interruptions in industrial activity but also to a dangerous decline in morale. Workers forced to make increasing effort and to accept sacrifices in the general interest will strongly resent the absence of public attention to their legitimate welfare. If the authorities attempt to use compulsion to eliminate absenteeism and yet fail to correct the root causes of it, the sole result will be discredit for them and reductions both in output and in general morale. Thus, no measure which might contribute to the conservation of human resources should be regarded as unrelated to national labour supply policy expressly intended to maximise production by effective use of the country's man-power.

8

Reduced to its simplest terms, labour supply policy consists in adjusting labour resources to the needs of essential industries and services. It must therefore be based upon reliable and detailed information, kept constantly up-to-date, regarding labour supply and labour requirements. In the absence of such comprehensive knowledge of needs and resources, there is little chance of securing a high degree of co-ordination between labour supply policy and actual industrial life.

On the one hand, the inventories of labour supply must be extended gradually over each portion of the active population, so that accurate information about the vocational qualifications of all actual and potential workers is available. On the other hand, the results of these surveys must be balanced against detailed data relating to the condition and trend of labour requirements. Together these inventories are indices to action. They show what measures should be taken at any given moment, and what should be their scope and direction. While estimates of the total number of workers who will be

needed for the defence programme are of unquestionable interest for the orientation of policy (since they show the various problems which must be solved in relation to one another), executive agencies, in order to take practical action, need comprehensive short-term information covering the number and type of workers who will be needed by each enterprise within a period of weeks or months. Similarly, even if practical reasons make it impossible to take a census of all man-power at once and make it advisable to enlarge inventories gradually in accordance with apparent shortages of particular categories of labour, yet it should never be forgotten that the defence programme will absorb the whole labour power of the country, and that the whole of these resources must be analysed sooner or later.

This information cannot be obtained by the Government alone, although it can be and invariably is co-ordinated by Government agencies. Employers must estimate their own labour requirements. Trade unions must uncover skills and abilities from among their own members. Both employers' and workers' representatives may assist in checking the accuracy of an employer's forecast of his labour requirements or in verifying the skill reported by a worker. The Government, for its part, can standardise procedure and forms and can centralise and analyse the information obtained, with the participation and co-operation of employers and workers.

As a basis both for present and future policy, therefore, as full and detailed information as possible regarding present and probable labour requirements and all labour reserves on which it is possible to draw should be obtained through the co-operation of Government, employers, and workers.

The organisation of labour supply for purposes of defence places many additional responsibilities on the employment service. Its role is not merely to serve employers and workers who apply to it for help. In the face of the enormous increase in employment opportunities, it must extend its operations beyond the unemployed workers registered with it, search for labour reserves among the remainder of the population, and direct them, as may be required, to appropriate courses of

training. At the same time, it must often evaluate the priority to accord to the different requests for workers and prevent inopportune job vacancies from arising on essential production work. A central role in the administration of labour supply policy is therefore reserved for the employment service. Moreover, by the information which the service collects on the needs and resources of the labour market, it can itself contribute to the formulation of the policy.

The magnitude of the tasks of the employment service necessitates an adequate and co-ordinated organisation. After long years during which the employment market was characterised by a continuous preponderance of supply over demand, now a situation has arisen which demands a complete change of outlook for the effective fulfilment of the duties of the employment service. It is no longer unemployment but employment vacancies which have become the centre of its preoccupations. The person looking for work, who has been for so long, in the eyes of the employment office, an unemployed worker to provide with relief or to place on relief works, can and must be considered, above all, a potential candidate for employment vacancies. All of the internal activities of the employment offices must be reoriented towards this new conception of the task of the employment service in time of emergency.

At the same time, the national character of the defence programme calls for national organisation of the employment market. Local and regional employment offices must see beyond their own geographical limits and conceive their functions in relation to the programme as a whole. In their contacts with other local offices and with the central office, they should consider themselves as one part of a whole, seeing in the particular portion of the employment market under their supervision only one sector of the national market. In other words, the execution of the defence programme requires an employment service which is closely co-ordinated and centralised under a national authority responsible for the entirety of labour supply policy.

Moreover, in so far as other agencies touch upon matters of labour supply, the employment service should be in a position to co-ordinate their activities and to direct them towards meeting the demands of defence industries.

Labour supply policy is directed towards satisfying the labour requirements of essential industries. It is imperative that it be an integral part of actual industrial life. The action of the Government is therefore dependent upon the participation and the co-operation of the two major groups in industrial activity—employers and workers.

Organisations of employers and workers can be of the greatest assistance in solving the many complex technical problems of labour supply. Their direct and practical experience of the employment market provides them with a unique background both for drafting and for applying measures to organise labour supply for purposes of defence. Their representatives can bring to light problems of which the Government may not even have been aware; they can interpret the attitude of their membership on the various questions; they can agree on the principles of proposed measures for dealing with them; they can draft the working details of these measures and help with their application. Their co-operation is invaluable in dealing with every aspect of labour supply policy, from its initiation through every phase of its application.

Moreover, it is an incontrovertible fact that the application of labour supply policy depends to a large extent on the attitude of the persons affected by the various measures. The organisation of labour supply involves considerable sacrifice in many respects. Employers are deprived of some of their privileges in connection with the recruitment, engagement, and dismissal of their workers. Workers are deprived of their right to leave their employment at will or they are forced to change their employment, and even their workplace, and are required to undergo a further course of training. Persons who have never been in the employment market or who have retired from it are mobilised for defence employment. Rules and regulations to govern employment, built up by organisations of employers and workers over a long period of years, may be broken down and long-sought standards suspended.

The very fact that a serious emergency exists helps to promote general acceptance of these various sacrifices. But in order that both employers and workers may be convinced that these deprivations are necessary and that they may be sure that their rights and their interests have been accurately ap-

praised, the participation of their representatives in the formulation and execution of labour supply policy is of the greatest importance. Their collaboration determines, to a large extent, the existence of an atmosphere of confidence and goodwill, on which the speed and effectiveness of the execution of the defence programme so largely depend.

* * *

Summarised briefly, the conclusions of principle emerging from the report may be formulated as follows¹:

(1) **Measures for utilising the services of the available unemployed, including men discharged from the armed forces, should, wherever possible, be given priority over other measures to meet increased labour requirements.**

(2) **The expansion of defence production should be so planned that the curtailment of non-essential production or the conversion of the plant capacity and labour force of non-essential industry to war needs is effected in such a manner that unemployment is avoided or reduced to a minimum.**

(3) **Defence orders should be distributed, directly or through sub-contracting, among all undertakings capable of taking an effective part in the national defence programme, in order that transfers of workers from one employment, area or occupation to another may be limited as much as possible and that factory units may be kept intact wherever possible.**

(4) **In order to facilitate the transfer of labour from non-essential to war industries, where such transfer is found necessary, measures should, wherever practicable, be devised to reinstate workers in their previous employment or to provide them with alternative employment on the termination of their service in war industry.**

(5) **Adequate facilities for quick and intensive training and for up-grading should be provided to meet increasing and urgent needs of essential industries for competent workers and supervisors as quickly as possible.**

¹ As was stated in the foreword, a draft of the greatest part of this report was submitted to a meeting of Government officials, employers, and workers, of the United States and Canada held in Montreal on 12 April 1941 under the auspices of the I.L.O. The above principles have been formulated in the light of the discussion which took place at this meeting.

(6) In order that future problems of readjustment may be as narrowly confined as possible, the long-range objectives of technical training and apprenticeship should be kept constantly in mind even when expanding labour supply during the emergency period, and with this end in view:

(a) Apprenticeship and other methods of giving thorough and well-rounded training to young people should be maintained as far as possible and should be re-established as early as possible in cases where they have had to be curtailed for urgent reasons of defence.

(b) Workers who have been rapidly prepared for specialised employment in essential industry should be given all possible opportunity to extend their technical training in such a way as to ensure greater future occupational adaptability.

(7) The importance of conserving man-power by avoiding human wastage which would only serve to aggravate problems of labour supply makes it necessary that special attention should be given in time of defence emergency to questions of accident prevention, industrial hygiene, preventive medicine, nutrition, and hours of work, and to the adequacy of the system of inspection and enforcement.

(8) As full and detailed information as possible regarding present and probable labour requirements and all labour reserves on which it is possible to draw should be obtained through the co-operation of Government, employers and workers.

(9) There should be an adequate and centralised public employment service which should be co-ordinated with the training and other agencies responsible for the foregoing features of national labour supply policy.

(10) In order to create the atmosphere of confidence and the spirit of co-operation on which the effective execution of the defence production programme so largely depends:

(a) The positive and organised collaboration of employers and workers with the public authorities is of the highest value for dealing with all labour supply problems, from the initiation of policy through every stage of its application.

(b) It is advisable to establish and maintain between employers and workers such understandings and relations as will tend to assure united effort towards the common objectives of national defence.

* * *

Problems of labour supply exist in time of peace as well as in time of war. They will be particularly acute at the end of the present war, when it will be necessary to make far-reaching adjustments of the structure of supply to a new structure of demand. Assuming that the volume of demand can be maintained so that every person, on demobilisation from the armed forces or from a defence industry, will have a reasonable opportunity for employment, the redistribution of labour among the vacant jobs and the vocational readjustments that will be essential will raise urgent problems. In scope, these problems will be quite as wide as those dealt with in this report. In kind, they will be very similar.

It is clear, therefore, that much of the machinery which has been introduced for dealing with wartime problems of labour supply, much of the experience that has been gained, and many of the procedures that have been tried out, will prove of equal value in the readjustment of labour supply to peace requirements and also, perhaps, in a more permanent manner, in the organisation of employment with reference to the constantly changing needs of the economic system. As the British Minister of Labour stated in October 1940: "In all that we are doing we are gaining a great experience which can be of vital use in peace, and we are determined that such experience as we gain shall not be thrown away but shall be used in the development of the new Britain".

These long-range objectives must certainly be kept in mind in developing and in appraising methods and machinery for the wartime organisation of labour supply. At the end of the war, emergency measures designed specifically to meet actual and general shortage of labour may have to be abandoned, and employment can be freed from the coercion which may have been required during the war. Yet the fundamental principles underlying the organisation of the employment market have a permanent character. When war is done, therefore, there should be no unconsidered abandonment of measures which

have, under the stress of war conditions, improved methods of information and administration, procedures of collaboration, and general policies of employment and re-employment. All of these can play an essential part, during the period of reconstruction and thereafter, in economic organisation directed towards meeting the needs and securing the welfare of the common man.

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by

P. WAELBROECK and I. BESSLING

(Reprinted from the *International Labour Review*, Vol. XLII,
No. 2, February 1941)

A concise analysis, based entirely on authoritative German sources describing the manner in which German workers have been organised under the Nazi régime, for purposes of intensive rearmament and war. This article and the study on "The Labour Situation in Great Britain" which has just been issued by the International Labour Office provide an interesting basis for comparison.

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